DOCUMENT RESUME

ED 309 003 RC 017 127

AUTHOR Woods, Mike D.; And Others
TITLE Guidebook for Rural Economic Development Training. SRDC Series No. 112.
INSTITUTION Southern Rural Development Center, Mississippi State, Miss.
PUB DATE Jan 89
NOTE 91p.
AVAILABLE FROM Southern Rural Development Center, P.O. Box 5446, Mississippi State, MS 39762 ($10.00).
PUB TYPE Guides - Non-Classroom Use (055)

EDRS PRICE MF01/PC04 Plus Postage.
DESCRIPTORS Annotated Bibliographies; *Community Development; *Economic Development; *Rural Development; Rural Extension; Teaching Guides; Training Methods; *Workshops

ABSTRACT

A deteriorating local economy in many rural areas has led local leaders to search for ways to ease the transformation or reverse the trend. This guidebook provides extension educators and economic development specialists with a starting point in designing workshops for local leaders interested in increasing economic activity in their communities. Workshop materials have been used in several pilot workshops and found to be adaptable to different regions and audiences. The workshop covers seven general areas, each of which may be taught as an independent unit or omitted, depending on community needs. These topical areas are: rural economic development overview, building an economic development strategy, economic development alternatives, financing economic development, impact analysis, infrastructure, and public policy. Each section consists of a teaching outline and overheads, and suggests an organized presentation of information essential to the topic. An annotated bibliography includes 61 entries that provide further information on the seven topical areas. The guidebook contains 61 references, descriptions of a model program and program planning procedures, sample agendas, evaluation forms, and fact sheets developed to support economic development workshops in Oklahoma. (SV)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED309003

GUIDEBOOK FOR

RURAL ECONOMIC DEVELOPMENT TRAINING

Prepared by

Mike D. Woods
Gordon R. Sloggett
Gerald A. Doeksen
Larry D. Sanders
of the
Department of Agricultural Economics
Cooperative Extension Service
Oklahoma State University

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

X This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

Jacqueline Tisdale

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Edited by

Jacqueline F. Tisdale
Southern Rural Development Center

RC 017127

Published by

Southern Rural Development Center
P.O. Box 5446
Mississippi State, Mississippi 39762

SRDC Series No. 112

January 1989

BEST COPY AVAILABLE

TABLE OF CONTENTS

Page

Introduction 1

Rural Economic Development Overview 4

Building an Economic Development Strategy 11

Economic Development Alternatives 15

Financing Economic Development 23

Impact Analysis 27

Infrastructure 30

Public Policy 33

Bibliography 36

References 50

Appendix A–Description of a Model Program 54

Appendix B–Sample Agendas 60

Appendix C–Evaluation 65

Appendix D–Supporting Materials 68

ACKNOWLEDGEMENTS

Appreciation is extended to Joe Schmidt, Mississippi State University, and Duane Williams, Kansas State University, for reviewing the Guidebook and providing helpful comments.

GUIDEBOOK FOR RURAL ECONOMIC DEVELOPMENT TRAINING

Introduction

A deteriorating local economy in many rural areas has led local leaders in search of ways to ease the transformation and perhaps reverse the trend and increase economic activity. This guidebook is intended for Extension workers or economic development specialists for use in designing workshops for local leaders who are seeking help to increase economic activity in their community. The workshops can provide information on the process of, and alternative ways of, achieving economic development to local leaders with little or no training in economic development. The materials in this guidebook were used in several pilot workshops and found to be adaptable to different regions and audiences. Contents of the guidebook are divided into eight sections:

Rural Economic Development Overview
Building an Economic Development Strategy
Economic Development Alternatives
Financing Economic Development
Impact Analysis
Infrastructure
Public Policy
Bibliography

Audience Characteristics

Local community leaders interested in economic development are the intended workshop audience. They may include leaders from government, business, public agencies, education, the clergy, or the general population. Participants' background and skill levels with respect to economic development may range from limited to excellent. It is imperative that the persons planning and presenting material during the workshop know their audience and the community.

Extension and Local Government

The Extension Service, with its well-developed educational resources and programs concentrated in rural areas, is in a position to provide relevant and current assistance to communities on rural economic development issues. This guidebook offers Extension staff or other professionals a starting point in designing economic development workshops to be delivered to local leaders. Appropriate types of economic development will differ by community. The suggested workshop outline may be modified, to meet the individual community's needs by omitting some parts or concentrating on, or expanding others.

Workshop Strategy

The workshop described in this guidebook is divided into eight sections, seven of which can be taught as an independent unit or as part of a complete workshop. The workshop is designed to be flexible so that instructors can modify it to suit the needs of a particular audience. Each section can be conducted by different specialists or experts.

Each section consists of a teaching outline and overheads, suggesting an organized presentation of information essential to the topic. The teaching outline is intended for the instructor, while the overheads are to be shown to the workshop participants. Instructors needing more information on a topic should consult the bibliography for a list of helpful references.

Instructors should solicit suggestions from local leaders in planning the workshop. This will localize the presentation as well as encourage participation and workshop attendance.

Overheads, handouts and slides should be prepared in advance. Instructors should consider adding their own materials to those included in the guidebook. The workshop program can be strengthened with the inclusion of examples taken from the region in which the workshop is held. In addition, workshop organizers should consider inviting local consultants or government officials with relevant experience or knowledge to teach a section of the course or relate their experiences.

Sample programs and a summary of the programs are included in the appendix to assist workshop organizers in planning and advertising.

Length of Program

There is no set timetable for completing this workshop because parts of the guidebook may be omitted or modified depending on the community's needs. The workshop has been presented in a series of meetings each covering a single topic, and they have been completed in as few as two meetings. Workshop organizers and community leaders determine when and how the material is to be presented.

Organizing the Workshop

The first meeting of the workshop organizers and community leaders is crucial to the success or failure of economic development for the community. At that meeting, it is absolutely necessary that the community leaders fully understand what the workshop can and cannot do for them. It is equally important that the community leaders fully understand what their role will be in the workshop, and in the community when the workshop is over. At the conclusion of the workshop, community leaders must be willing to formulate a plan to achieve their economic development goals because economic development will only occur through active participation of local leaders.

As previously discussed, the first meeting is crucial. Community leaders should be presented with a written and oral summary of the workshop so they know what to expect and what is expected of them. It is possible that the community leaders involved in the first meeting will know what the community wants or needs to do for economic development—attract new industry, tourism, improve retail trade, etc. When the decision is made to proceed with the workshop, then a number of steps need to be taken.

The following steps for designing a successful workshop describing who, what and when, were developed by trial and error. The exact sequence may differ from community to community, but all elements need to be included.

1. **Set the workshop agenda**—workshop and community leaders determine what topics are to be included.

2. **Determine when it will be**—how many meetings, and what is to be covered in each meeting.

3. **Who will make the presentation**—involve Extension specialists, state and regional economic development agencies and representatives of private or public organizations involved in economic development.

4. **Where it will be held**—designate someone to set up the meeting place, overhead projector, coffee and other necessities.

5. **Inform the public**
   a. News releases
   b. Letters to key people
   c. Personal contact by community leaders

6. **Get input**
   a. Surveys, what's good and bad about the community, and what kind of economic development activity is desired
   b. Personal contact by community leaders

7. **Promote it**—the object is to get some enthusiasm in the community for economic development and to encourage attendance at the workshop.

Rural Economic Development Overview

Economic development (ED) is often seen as a solution to all that ails a town or city—poverty or low income, declining business or industry, inadequate tax base, contracting population, inadequate public services, etc. Fortunately, ED does help alleviate some of those ailments and is often sought after by community leaders. The problem for community leaders with little or no experience in ED is "what is it," and how does a community go about "getting it." The purpose of this guidebook is to shed some light on the topic of what "it" is and some alternative ways of achieving "it."

I. **What is Economic Development.** ED is often perceived as a singular event, such as a new manufacturing plant, that increases jobs and income for a community. A more inclusive interpretation of ED is any activity that provides additional jobs and/or income and in turn increases the community's standard and quality of life. This could result from something as simple as employment of an additional clerk in a store or improving profits at the local convenience store.

II. **Perspective.** Local leaders who are trying to improve their community through ED need to put into perspective what is going on around them and their community. To some degree, economic and political forces at the international, national, state and local levels all have an impact on ED in a community. Examples:

   A. **International**. World trade policies can affect rural economies. For example, events around the globe impact the prices of oil and agricultural products.

   B. **National**. Federal income tax laws or swings in the national economy can affect investments in new plants and machinery.

   C. **State**. Financial aid packages for entrepreneurs or highway construction can influence the type and/or location of new businesses.

   D. **Local**. Zoning laws, tax policies and the condition of local services will often influence ED in a community.

III. **Critical Forces at Work (North Central Regional Center for Rural Development).** In addition to understanding that where and how they live is affected by much more than local conditions, community ED leaders need to know something about critical factors that affect ED in their community.

   A. **Changed World Economy**. The production of raw material—forest products, minerals, metals, food—is outstripping demand. The production of manufactured goods continues to rise, but it employes fewer people by substituting capital for labor.

   B. **Rural Employment, Income and Population**. There is a continuing concentration of income with persistent pockets of poverty in some rural areas. Low income service occupation employment is increasing in rural areas. The number of older and retired persons is growing in rural areas as the young move to the cities, thus increasing transfer payments as a source of rural income.

C. **Agriculture**. Farms are growing in size and becoming more capital intensive. Fewer farmers and better transportation means less business for small rural communities.

D. **Technology**. Technology is a two-edged sword for rural areas. It could very well reduce the number of farmers even more. But technology could also improve the chances for ED in rural areas because much of it is not location-specific.

E. **Government policy**. Some government policies are aimed directly at influencing ED, such as laws allowing industrial development bond sales. Also, in recent years the federal government has shifted more of the burden of financing water and sewer systems to communities. Other government policies may indirectly influence ED, such as lowering or increasing the income tax. Local leaders need to be aware of these policies and that they often change.

IV. **Development alternatives (Pulver).** ED has been defined as any activity that influences jobs and income and improves the quality and standard of living in a community. Given that definition, community leaders have a number of alternatives to choose from in their pursuit of ED.

A. **Existing Business and Industry**. The most likely sources of new jobs and income are existing industries and businesses located in the community. A number of things can be done in this area including steps to capture more local retail trade, improving the efficiency of existing firms, encouraging trade among local businesses and starting a business visitation program.

B. **New Business and Industry**. A more visible source of ED is a new business or industry. This source of income and jobs may come from creating a new business or industry within the community or from attracting one from outside the community. Others may be increasing tourism or helping to start home-based businesses. Local leaders can encourage new business and industry in a variety of ways, including encouraging local entrepreneurs and establishing an industrial development team.

C. **Acquiring Taxed-Away Dollars**. Any tax dollars that can be returned to the community can potentially increase jobs and income. Money for streets and highways, schools, water and sewer and special purpose grants can all help with ED. Transfer payments, such as Social Security, should not be overlooked as source of income to aid ED.

D. **Resource Investments**. Resources may be natural, man-made or human. Natural resources include land, water, other minerals, scenic beauty, etc. Man-made resources are roads, utilities, schools, public services, etc. Human resource investments are those made in education, training, relocation and/or transition support. Resource invesments by the community may not pay immediate ED dividends, but in the long run they may be the best investment a community can make for ED.

V. **Need for local leadership.** For ED to succeed, local leadership must be well informed, organized, have sufficient resources, and above all—be committed.

A. **Informed**. The local leadership must know what the alternatives for ED are, which ones are suitable for their community and how to go about achieving ED.

B. **Organized**. ED does not just happen. It is a systematic process that requires planning and organization to carry out the plan.

C. **Resources**. The local organization must have the money, authority and people to carry out the ED plan. Money may be needed for something as simple as paying for a pamphlet describing the attributes of the community, or as complex as buying an industrial tract of land. The authority to execute the plan and the people to follow through with action are just as important.

D. **Commitment**. Perhaps the most important element for successful community ED is a committed group of local citizens. No one else will do it. The local leadership should fully understand the time and effort involved in a complete ED program and be willing to make that commitment.

OVERVIEW

DEFINITION

PERSPECTIVES

CRITICAL FORCES

ALTERNATIVES

LOCAL LEADERSHIP

PERSPECTIVES

INTERNATIONAL

NATIONAL

STATE

LOCAL

DEVELOPMENT ALTERNATIVES

1. EXISTING BUSINESS AND INDUSTRY

2. NEW BUSINESS AND INDUSTRY

3. ACQUIRING TAX DOLLARS

4. RESOURCE INVESTMENTS

LOCAL LEADERSHIP

1. **INFORMED**

2. **ORGANIZED**

3. **RESOURCES**

4. **COMMITMENT**

Building an Economic Development Strategy

To succeed in ED efforts, a community must know where it is going, and how to get there. A strategy is simply a plan or a roadmap showing how to reach the objective. It is absolutely essential that local leaders be involved in developing the strategy because it cannot be successful without their total support. It is also important at the beginning that the local leaders who become involved in ED and in developing a strategy understand they must make a substantial commitment of their time and effort if ED is to succeed.

Time spent in developing an ED strategy will pay big dividends because a strategy will:

1. **Outline steps to follow.** ED does not just happen. It requires community leaders to identify a number of intermediate steps to reach the final destination—ED.

2. **Promote efficient use of resources.** A significant amount of money, time and people will be required for ED. These limited resources must not be wasted by going in all directions at once.

3. **Improve coordination.** Many programs, activities, groups and individuals will be involved in ED, and it is important they not overlap or conflict.

4. **Build consensus.** The public and private sectors must agree on the major issues involved in ED.

5. **Public awareness.** Without public support, ED cannot happen. It is important for the public to know how ED occurs, and how it affects the community.

6. **Strengthen the community's competitive position.** A community with a strategy will not only be inherently more likely to succeed, it will also appear more attractive to a potential business or industry.

With the benefits of developing an ED strategy identified, the next step is to how to go about establishing the strategy. Local leaders should not be overwhelmed by the task of developing a strategy because they may obtain assistance from a variety of sources with experience in this area. However, it should be emphasized that while the steps to developing a strategy are similar for any community, the final ED plan is the responsibility of the local leaders. It must be tailor made to fit the conditions of the individual community.

Steps in building a strategy

I. **The Steering Committee.** Broad-based community support is the basis for successful ED. It is extremely important that the steering committee be made up of a cross-section of the community's public and private leadership. Existing organizations (chambers of commerce, industrial trusts, etc.) should be used where possible. The committee is responsible for forming the plan, communicating the plan to the community and promoting the entire planning

process. After forming the plan, one of the most important functions of the steering committee is to establish a schedule to complete each phase of the plan. The schedule should allow sufficient time to complete each phase and be flexible enough to allow for contingencies.

II. **Technical Assistance.** Steering committee members will probably not have the time or expertise to do all the work. Assistance is available from consultants, universities, development districts, utility companies and others. They can provide the type assistance needed for ED to occur. But success will depend on active participation of local leaders from the planning through the implementation phase of the ED strategy.

III. **Develop Basic Data.** Demograhic and economic data are needed to determine trends and strong and weak points in the community. The data are also needed by those interested in investing in the local economy. The data should include information on population, income, employment, wages, business and an inventory of community services—utilities, streets and highways and transportation services. These data will be useful in determining what kinds of ED activities may or may not be applicable for the community. More importantly, the data will highlight the problems the community needs to work on in order to have a successful ED experience.

IV. **Review ED Alternatives.** A community may increase its economic activity in a variety of ways including increasing economic activity of existing business and industry, attracting existing business and industry outside the community to locate in the community, new business and industry starting up within the community, and attracting retirees. The alternatives selected for a community to pursue depends on many factors. The important thing for the community is to know what alternatives are available and then to choose the ones that best fit the situation. The community should also review any previous efforts regarding ED as well. Development alternatives are discussed in detail in the next section of the workbook.

V. **Analyze Key Issues.** Key issues are those that will influence the direction of community ED efforts. They may be unchangeable issues such as the weather or the community's location, or they may be things the community can do something about such as streets, the sewer system or the attitude of the citizens toward change. Much of the basic data will include some key issues. For example, if the community has a limited water supply, then industries that require a lot of water will not be interested in that community. The point is that your community must look realistically at itself, change what it can, and then proceed with an ED plan that is workable.

VI. **Financial Resources.** The sources and amounts of money needed to finance needed changes in the community and to enable ED must be identified. Wanting and planning for ED will not make it occur unless the money is there to make it happen.

VII. **Set Priorities.** The community must establish a list of priorities of the kinds of ED alternatives to pursue and for the changes needed in the community to enable ED to occur.

VIII. **Implement the Plan.** The best plan in the world is no good if it is unused. The plan should be as simple as possible, but complete. It should be flexible to allow for problems that may arise. It should be doable within a reasonable time frame. The resources, money and people must be available to do the work. Perhaps the two most important parts of any ED plan are WHO will do what, and WHEN will they do it. Someone, or some group, must be identified to accomplish each task in the ED plan, and they must be given a schedule for completion. The participants should know that they are making a significant commitment of time and effort and that the success of the ED plan depends on the completion of their part.

NEED FOR A STRATEGY

OUTLINE STEPS TO FOLLOW

EFFICIENT USE OF RESOURCES

IMPROVE COORDINATION

BUILD CONSENSUS

PUBLIC AWARENESS

STRENGTHEN COMPETITIVE POSITION

STEPS IN BUILDING A STRATEGY

1. STEERING COMMITTEE
2. TECHNICAL ASSISTANCE
3. BASIC DATA
4. REVIEW ALTERNATIVES
5. ANALYZE KEY ISSUES
6. FINANCIAL RESOURCES
7. SET PRIORITIES
8. FOLLOW THROUGH

Economic Development Alternatives

The vehicle to accomplish ED is an organization of local people who are dedicated to improving their community. Communities can enjoy economic development (ED) via three basic avenues:

- existing business and industry;
- the establishment of new business or industry; or
- aid and grants from state and federal government.

I. Existing Business and Industry

There are at least two ways a community can encourage ED through existing business and industry. The first is by retaining current business and industry and possibly helping them to become more efficient and thus more profitable. Second, the community may help to expand existing busines and industry.

Retention and Expansion Alternatives (Ohio Cooperative Extension Service). It is the responsibility of the ED organization to nurture and aid existing business and industry. Two ways to do this are to form a visitation team and sponsor educational programs. The nature of the individual community will determine the appropriate avenue to pursue.

A. **Visitation Team**. The ED organization selects a group of local leaders to visit business and industry in the area to collect confidential information on their needs, problems, concerns and plans. The visitation program is good public relations, but it can also be effective in enabling growth and reducing barriers to growth. The visitation team should be well versed on the information base, know its responsibilities, follow a specific plan, be knowledgeable of the particular business it is visiting and follow up its visits with action. Duties and responsibilities of the team include:

1. **Establish a pro–business attitude**. The team should make the business person feel they are an important part of the community, and that they are needed for ED to occur. An appreciation event for business and industry could solidify a pro–business attitude.

2. **Needs, problems, concerns and plans of local business and industry**. The team should identify needs, problems and concerns and identify those which they can influence. Future plans of businesses need to be identified so the team can provide information on, and possibly aid in, solving problems or conflicts that may arise from those plans.

3. **Government**. The team should be aware of local, state and federal government plans, policies, programs and rules and regulations that may impact on business or industry in their community. They should identify and help resolve conflicts that exist or arise.

4. **Match local suppliers with local buyers**. The team needs to be aware of the products and services produced and consumed by local business and industry and match them up wherever possible.

B. **Sponsor Educational Programs (Fisher)**. A number of educational programs in the area of business management and informational surveys are available to the community. These small business assistance programs may be sponsored by the ED organization and are available from the Extension Service, state and area governmental organizations, area vocational technical schools and colleges. Training in personnel management, cash flow analysis, customer service, public relations and several other business management topics are available. Surveys to identify needs, problems and wants of local merchants can also improve the business climate in a community. Consumer surveys can identify buying patterns and identify areas for local merchants to explore. A brief description of available training programs and surveys follow:

1. **Business planning**. This training is designed to show the value of business planning. It covers the purpose of having a plan, the process of making a plan, how to implement the plan and concludes with evaluating results and making adjustments in the plan needed to attain the original goals.

2. **Cash flow**. The importance of cash flow to a business can be stated—"if it won't cash flow, it won't go." The definition of cash flow and its components, how to calculate it and how to predict it are the topics of this training session.

3. **Customer relations**. Increasing the number of customers, improving customer satisfaction and increasing sales are keys to any successful business, and are the subjects to be covered in this training session.

4. **Time management**. Time is a most important resource and should not be wasted. Time wasters to be avoided are discussed as well as how to identify and accomplish important tasks. Also to be taught are techniques used in scheduling time.

5. **Personnel management**. Good employer–employee and employee–customer relations are critical in any business and are a direct reflection on personnel management. Personnel management is a continuous process from the job interview to retirement. This training session covers that process.

6. **Other business management training**. The list of business management courses available include inventory control, finance, salesmanship, advertising, computers, accounting and others.

7. **Consumer surveys**. Until a businessman knows what his market is and how his business is perceived by his customers, it will be difficult for him to improve sales. A consumer survey can identify where and why community residents shop as they do.

8. **Merchant surveys**. This survey is designed to identify the concerns, needs, wants and problems of local businesses.

II. New Business and Industry

A new employer is the most visible sign of ED and is also what many equate with ED. A new employer may be an industrial plant or manufacturer, or some other type of business

venture. This new employer may be one that has been recruited to move to your community, or it may be home grown. Attracting a business or industry to move to your community requires planning and an active recruiting team as well as the right physical facilities. Potential new home-grown employers are nearly unlimited. More home-grown employers will develop if the community shows some form of entrepreneur encouragement.

A. **Business/Industry Recruitment (Lee).** A decision to locate a new plant or business in a community does not just happen out of the blue. First of all, a community must decide that it wants to pursue the location of new business or industry in its community as part of its ED plan. The decision to locate in the community must be encouraged and nurtured by the community, and the community must take a number of steps to elicit a favorable plant or business location decision.

The Business/Industrial Development Committee. Someone must take the responsibility for all of the details that must be attended to for a successful recruitment program. The committee should be made up of a cross section of community leaders from the community. Plant or business location decisions are often made based on the attitudes of existing local businessmen, so it is important that they be a part of the committee. The committee or sub-committees will be responsible for the following items:

1. **Community assets and deficiencies**. A realistic assessment of the good and bad points of the community must be made because a prospective employer certainly will assess them. A positive attitude of the local business community is an asset that cannot be overlooked. Public services—water, power, sewer, streets, health care, education, etc., must be evaluated on the basis of quantity and quality. Equally important are supporting services such as transportation, communication, business and industries, professionals—accountants, attorneys and others. Taxes and location are other factors to be evaluated.

2. **Deficiencies**. After identifying the community's deficiencies, steps need to be taken to correct those the community can do something about. Some things such as a poor location cannot be changed, but many factors that can hinder ED can be changed with the cooperation of the community.

3. **Seeking Assistance**. Many units of government, private and public utilities and educational institutions can provide many types of economic development assistance. This aid ranges from help in selecting a site for an industrial park, to providing personnel for firm visits, to offering training for the economic development team, to training of employees for the new employer, to several other types of services and training that will help the community attract new business and industry.

4. **Promotion**. The promotional campaign has been categorized as internal, local and external. The committee and others involved in the ED effort must be kept informed of the progress and the importance of their task. The local population in general must also be kept informed of the objectives and potential benefits of ED and of the progress of the committee. External promotion is necessary for the committee to spread the word about the benefits of locating a business or industry in the community.

B. **Home-Grown Business and Industry.** Most new jobs in the US are created by expanding existing employers or from new employers. It is the latter that is of interest in this section. What can the community do to help get new businesses off the ground,

and what are some potential home-grown business opportunities?

1. **Entrepreneural encouragement (Southern Rural Development Center)**. There are a number of things that the ED team can do to facilitate the creation of new employers in the community:

   a. Education. Many new employers have not been in business before and can use training in a new business and in all aspects of business management and marketing. This may come from a variety of sources including successful local businessmen or women, vo-tech schools, the Cooperative Extension Service, and local, regional or state agencies.

   b. Financing. Conventional sources of capital may not be willing to finance a new venture. The ED committee needs to encourage the formation of capital or at least identify sources of capital that would be available to new businesses.

   c. Surveys. Market surveys can identify product or service deficiencies in the community that may be large enough to warrant a new business.

2. **Home grown business**. Home grown business opportunities are limited only by the imagination of the citizens. A successful business requires careful planning, financing, and good management. All the various possibilities for home grown businesses cannot be presented, but two that are often mentioned are discussed below.

   a. Tourism and recreation. Tourism and recreation is a popular ED alternative because it utilizes existing resources, usually, and attracts income from outside the community (University of Missouri).

      1) Assessment. An assessment must be made of what the community or surrounding area has to offer to travelers. The travelers may be businessmen, conventioneers, visitors, etc. or they may be seeking recreation.

      2) Market. After the community knows what it has to offer, it needs to identify the market for its attractors. The type of attractor will determine who the market is. A convention center has a different market than a tourist attraction.

      3) Promotion. With the market established, potential customers must be informed of what the community has to offer. One of the best is word-of-mouth. It is important that the visitor to your community leaves with a positive attitude.

      4) Services. Part of that positive attitude relates to the services available to the visitor. Services include transportation, housing, food and drink, entertainment, and other facilities. It is important that these be provided in the proper quantity and quality.

   b. Home-based business. Turning skills, hobbies and ideas into money making projects that can be done at home is becoming increasingly popular. However, a successful home-based business requires the same preparations as

any other business—plus some complications. The complications involve being able to deal with interruptions that will occur at home without harming family relationships.

III. **Aid and Grants from State and Federal Government.** The community needs to do all it reasonably can to return benefits to the community from taxes its citizens have paid.

A. **Public Assistance Programs**. The community should assist the elderly, handicapped and others who cannot work, in receiving the income and assistance to which they are entitled.

B. **Retirees (Summers)**. The number of retired persons is growing in percentage of total population and retired persons control about one-third of the total personal income in the U.S. Social Security and other income from this source can play an important role in ED. The community must provide the kinds of services needed by the elderly if they are to tap this source of income.

C. **Grants and Aid**. Many government agencies have financial programs to help communities provide a better place to live—sewer and water systems, streets, parks and others. The community should be aggressive in pursuing all avenues that may lead to financial or other assistance.

ECONOMIC DEVELOPMENT ALTERNATIVES

EXISTING BUSINESS AND INDUSTRY

RETENTION–EXPANSION

EDUCATIONAL PROGRAMS

NEW BUSINESS AND INDUSTRY

RECRUITMENT

HOME GROWN BUSINESS AND INDUSTRY

AID FROM BROADER GOVERNMENT

VISITATION TEAM

1. ESTABLISH PRO-BUSINESS ATTITUDE

2. IDENTIFY NEEDS OF LOCAL BUSINESS

3. GOVERNMENT REGULATIONS

4. MATCH SUPPLIERS WITH BUYERS

BUSINESS MANAGEMENT PROGRAMS

1. BUSINESS PLANNING
2. CASH FLOW
3. CUSTOMER RELATIONS
4. TIME MANAGEMENT
5. PERSONNEL MANAGEMENT
6. CONSUMER SURVEYS
7. MERCHANT SURVEYS

Financing Economic Development

All elements of developing a new enterprise or adding to an existing one are important. Some of the elements, such as the market for the product or the available labor force, are subject to speculation before the enterprise becomes operational. However, financing must be absolutely certain before the enterprise can get off the ground. There are a number of steps that must be taken to assure financial support for any kind of enterprise—new or expanding.

Financing Economic Development

A business plan describes a new or expanding company's projected and/or past and current operations. Any lender will want to know what the company will be, or what it is and intends to be, before money will be provided. Thus a business plan is vital to obtaining needed capital. The exact form of a business plan will depend on the type of business and if it is new or expanding. A brief description of information needed in most business plans follows (Bank of America).

- **Summary.** It contains a description of the new or expanding business activity including markets, management skills, goals, earnings projections and a summary of financial needs.
- **Market analysis.** This section should include a description of the total market, industry trends, where this company fits in the market, and what is the competition.
- **Products or services.** What does this company have to offer that is unique and how does it compare to the competition.
- **Manufacturing process.** If a manufacturing company, what materials are used, where are raw materials located, and what production methods are to be used.
- **Marketing strategy.** Pricing, overall strategy including method of selling, distributing, and servicing are important elements to have in this section.
- **Management plan.** Important for this section of the business plan is how the company is organized, who are the officers and what is their background. Staffing and number of employees is also important along with a schedule of upcoming work for the next one to two years.
- **Financial data.** Lenders want to know that the loan will be repaid with interest. Therefore, the business plan should include projected (for new companies) or existing financial statements. Financial projections resulting from the loan that show that the loan can be paid off must be defensible if the loan is to be made. This must include reasonable returns to the investor for the business to be a succes.

After the business plan is completed there are several things to consider before going to a lender. They include:

I. **Total Project Cost.** All costs must be included from the cost of the land down to the costs of the office furniture and fixtures. These must be determined so there will be no last minute surprise financial needs to get the enterprise going.

II. **Equity.** After the total project cost is established, the amount of equity that is available must be determined so the amount of capital needed can be known. Equity can be in the form of land, buildings, money, or any other tangible capital item needed for the enterprise. The amount of equity provided will affect the ease of obtaining financing to complete the financial package.

III. **Sources of Financing.** There are two primary sources of capital—private and public. Private sources include banks, savings and loan companies, businesses and individuals. Public sources of capital include a variety of state and federal agency programs. All of these sources of capital have different but rather strict criteria to qualify for a loan. The criteria include requirements on equity, cash flow, management and collateral among others. Interest rates, terms, and restrictions on the loan also vary among the different sources of financing. The variety of financing alternatives makes it imperative that the leaders in the community have access to someone who is knowledgeable in the area of financing new business and industry.

IV. **The Loan Application.** All information required by the providers of the loan must be assembled in an orderly manner and be in the proper form. If anything is left out, or is not in the proper order or form, the financing may be delayed. Thus, it is important that this final step be taken carefully.

BUSINESS PLAN

SUMMARY OF THE BUSINESS

MARKET ANALYSIS

PRODUCTS

SERVICES

MANUFACTURING PROCESS

MARKETING STRATEGY

MANAGEMENT PLAN

FINANCIAL DATA

FINANCING ECONOMIC DEVELOPMENT

TOTAL PROJECT COST

EQUITY

SOURCES OF CAPITAL

LOAN APPLICATION

Impact Analysis

Impact analysis can help community leaders predict the impacts of their ED decisions on the private, government and public sectors of their economy. The purpose of this section is to help understand what an impact analysis is, and how it is used to evaluate ED. While impact analysis is usually discussed in the context of economic growth, it can also be used to measure the effects of a decline in economic activity. The emphasis in this section will be on economic growth.

I. **An Overview.** The purpose of an impact analysis is to estimate the changes that occur in a community as a result of a change in economic activity. The economic activity could be a new business and if so, the primary changes in the community would be increased employment and income. The ripple effects of that economic activity such as indirect employment, indirect income and increased population can also be estimated. Additional results of an impact analysis could be the effect of changes in population on community services—water, sewer, power, streets, housing, schools, etc. These are some of the results of an impact analysis. The important thing about an impact analysis is that it can provide the community with an assessment of the merits and costs of a given economic activity. The citizens will then be in a better position to judge who benefits and who doesn't as a result of the activity.

II. **Types of Models (Nelson, Marlys).** An impact analysis requires a systematic evaluation of the community. It must be accomplished within some kind of a framework, generally referred to as a model. There are several kinds of models, each attempting to answer different kinds of questions.

A. **Input-Output Models.** This is a tool that ED specialists often use to estimate changes in a community, or area, as a result of changes in economic activity. Basically, what this tool provides is an estimate of how a change in economic activity in one part of the economy will affect economic activity in another part of the economy. An input-output model can also estimate changes in employment and income resulting from changes in economic activity. While these models cannot provide all the answers that may interest community leaders, they do provide key information to help them determine changes in the private, government and public sectors of their economy.

B. **Export Base Models.** These models are very similar to input-output models. The main difference is that the input-output model provides estimates of changes in each sector of the economy as a result of a change in another sector. The export base model provides only an estimate of change in the entire economy, rather than individual sectors, as a result of a change in one sector. The export based model gives an average estimate of change in the community as result of a business coming in or going out.

C. **Simulation.** This group of models is used to represent, over time, what happens to a community as a result of changes in one or more segments of the community. These models can provide information on changes in employment and income, population, community service needs and community revenue. They provide for a more comprehensive analysis of what happens to all segments of a community when changes occur.

III. **Important Areas of Analysis (University of Wisconsin-Extension).**

A. **The Private Sector.** Input-output and export based models will provide much of the information to answer questions about new business activity impacts on the private sector—questions about income, employment and economic interactions in the local economy. Other questions—like where will the employees come from and when will they begin? and how will the new enterprise purchase inputs and sell its output?—will need to be worked out.

B. **The Public Sector.** The input-output model can provide valuable employment and income change information that can be used as input to answer questions about impacts on the public sector. These questions will hinge on taxes, population and public services—schools, streets, police/fire protection, water/sewer, etc. Simulation models can help to answer many of these questions.

C. **Other.** Another question the impact analysis will have to address is the quality of life issue. What will the new economic activity do to air and water quality? Who will be the labor force? How else might the new economic activity affect residents, and what will their reaction be?

IMPACT ANALYSIS

TYPES OF MODELS

INPUT-OUTPUT

EXPORT BASE

SIMULATION

IMPORTANT QUESTIONS

PRIVATE SECTOR

PUBLIC SECTOR

QUALITY OF LIFE

Infrastructure

According to Webster's Dictionary, another word for infrastructure is foundation. Every building needs a solid foundation based on its size, function and location. A community's foundation includes its public and/or private transportation systems, sewer and water systems, communication systems, buildings—both housing and business and services—including police and fire protection, medical, educational, recreational, cultural, etc. A sound community foundation is one that has the proper amount and quality of systems and services to fit its size, function and location. For example, every rural community needs access to medical services. The proper amount for one community may include a hospital, while for another it might be an emergency medical service staffed with paramedics. The task for community leaders in planning for ED is to make sure their community has the level of infrastructure desired for the kinds of ED activities they are planning to implement.

I. **Infrastructure and ED.** A community has an obligation to provide the proper infrastructure for its citizens. It is an absolute necessity if any kind of ED activity is to be sustained. Existing business and industry will be interested in expansion only if the proper infrastructure is there to support it. Physical limitations such as water, power, sewer, and transportation are obvious problems that could limit ED, but all systems and servies are important. Infrastructure limitation also affects the attraction of new business and industry. Many things are involved in plant location decisions, but if a community is generally "run down" or has an inadequate infrastructure, it may not even be considered as an alternative site.

II. **A Case for Infrastructure.** The proper quantity and quality of infrastructure in a community is not only good for ED, it is beneficial for its citizens. Proper water and waste disposal systems along with medical services benefit health. Clean and neat streets, parks and public buildings make a pleasant place to live. Adequate police and fire protection provide a safe place to live and can lower insurance costs. Most would agree that these and other benefits, make infrastructure an important element in a community.

III. **Planning.** Knowing what quantity and quality of infrastructure is right for a community is not easy. Mistakes are often made. Two communities in Oklahoma have idle incinerator solid waste disposal plants because they can't compete with landfill disposal. Another community built a water supply lake they can't use because of poor water quality in the stream feeding it. Yet another community invested heavily in a long-term water supply system to serve a much larger population. Growth did not occur and now the community is struggling to pay for the system. These are a few examples of what can happen without proper planning. A lot of the information developed in completing other sections of the workbook will be helpful in the planning effort. The important thing for a community to do is realistically look at what it has, where it wants to be, and what kind of infrastructure it needs to get there.

IV. **Infrastructure Development (Doeksen).** Many rural communities do not have staff with sufficient expertise or time to determine the need for, cost of and the proper form of, the elements in their infrastructure. Help is available from educational institutions, state and regional economic development agencies. For example, personnel with the Cooperative Extension Service at Oklahoma State University (OSU) have developed methods of estimating the need for and the cost of alternative types of various community services—fire protection, emergency medical services, medical and dental clinics, solid waste systems, water and rural transportation systems.

An example of the type of information available from OSU for developing community services is the data available for a rural fire service:

- **Need for service**—number and type of fires to be expected in service area.

- **Capital costs**—costs are estimated for fire trucks and associated equipment, building, communication and equipment for firemen. Several alternatives are presented.

- **Operating costs**—depreciation, labor and building, vehicle and miscellaneous expenses are estimated for several alternative levels of fire service.

- **Revenue**—alternative sources of revenue are explored including subscription fees, charges for fire calls, taxes, or various combinations thereof. An estimate is made of the amount of revenue that may be expected from each source or combination of revenues.

Procedures have also been developed to provide similar data for the other community services mentioned above.

INFRASTRUCTURE

LINK TO ECONOMIC DEVELOPMENT

PLANNING

NEED

CAPITAL COSTS

OPERATING COSTS

REVENUE

Public Policy

Policy may be defined as a procedure or set of procedures designed to deal with a given set of circumstances. Public policy does not have to "do something." Public policy can be to "do nothing." However, public policies are most often thought of as those that are designed and administered by public agencies to deal with circumstances that affect the public sector. Public policy is made by federal, state and local governments and their respective agencies. Social, political and economic circumstances dictate public policy, and as they change, so does policy. Thus, as changes occurred in rural America, so have public policies directed at dealing with those changes.

I. **History (Rasmussin).** Early in this century, over a third of all Americans lived on farms and there was little distinction between farm life and rural life. Thus rural ED policies were directed at improving farm life—transportation, electricity, communication—and thus, little distinction was made between farm policy and ED policy. Midway through the century, technology on the farm caused a big decline in the farm population, and rural ED policies changed. Farm oriented policies continued, but new policies attacking rural underemployment and poverty came to the forefront—education, housing, resettlement, etc. This effort led to other policies directed at methods of revitalizing rural America, including some of those above, but adding things like programs to aid rural industrial development, community services and other programs to make rural America a better place in which to live.

II. **Types of Policies (Drabenstott).** Many of the rural ED policies put in place during the early and mid-part of the century are still in effect—REA is a good example. Policies change, or are added, as social, political and economic circumstances change. The type of policies to address the changes that have occurred in rural America may be classified as short term or transitional policies, survival policies, or as longer term development policies.

   A. **Transitional Policies.** Changes in the economy are encouraging labor and capital resources to leave rural areas. Transitional policies are those that are designed to reduce the social and actual costs of the move and to facilitate the transition. These policies include providing training and job information for displaced workers providing aid for public services in depressed rural areas, providing public services in depressed rural areas, providing income support for those left behind and temporary support for those in transition.

   B. **Survival and Expansion Policies.** A number of policies have been put in place to help local business and industry survive, and perhaps expand in periods of decline. These policies may provide management or financial assistance for existing businesses.

   C. **Developmental Policies.** These policies are designed to overcome the economic changes that are causing the decline in rural areas and to maintain or increase jobs, income and the standard of living. Developmental policies include programs to aid infrastructure development, to aid business development and to disseminate information promoting rural area opportunities and goods.

III. **Direct and Indirect ED Policies.** Federal, state and local governments and agencies all make policies that either directly or indirectly affect rural ED.

A. **Federal.** It has been said that the best thing for rural ED is a growing national economy with low inflation and interest rates. To a certain extent then, general federal fiscal, monetary and foreign policy indirectly affect rural development as much as specific programs such as infrastructure, education programs and funding and income supplements or sectorial programs, including the various farm programs.

B. **State.** Indirect state policies that affect rural ED are those that have an impact on the states' economy and climate for business and industry. State fiscal policies with respect to business taxes are examples. Another is workmans' compensation. State policies that directly affect rural ED include laws that provide incentives for business development, promotion of goods produced in the state and agencies with a variety of ED programs.

C. **Local.** When policy is mentioned, usually one thinks of federal and state policies. We should remember that economic development occurs at the local level. General community policies related to zoning, education, city maintenance, etc. can all have an impact on ED. Policies such as providing land and utilities for industrial sites or special tax breaks are examples of special policies that can benefit ED.

IV. **National Initiative.** A recent national initiative by the Cooperative Extension Service entitled "Working With Our Publics: In-Service Education for Cooperative Education" will provide extension staff and selected public leaders the opportunity to enhance organizational and decision-making skills.

While there are seven independent training modules in the national initiative, there are at least four that are useful in the context of this rural economic development training. A brief discussion of these selected modules follows:

Module 3: Developing Leadership. How to acquire and exercise leadership skills and how to identify, recruit, develop, and work with community leaders are topics of instruction in this module.

Module 5: Working with Groups and Organizations. This module provides instruction on the development of skills in working with and through groups and understanding the behavior of groups, organizations, and agencies. This will include skill-building in effective working relationships and networking.

Module 6: Education for Public Decisions. This workshop provides instruction in analyzing public problems, anticipating the consequences of an organization's involvement, and working effectively in controversial areas. Understanding the process of public policy formation, from the local to federal level, is the primary goal of this module.

Module 7: Techniques for Futures Perspectives. This instruction will focus on how to achieve a proactive stance toward the future through projecting future conditions and analyzing trends. Recognition of the range of future events will aid the public and decision-makers in planning for opportunities and preparation for varied consequences.

While some programs are already available, Extension staff in most states are being trained/familiarized in these particular modules over the next year and may be prepared to support such programs in mid-to-late 1989.

PUBLIC POLICY

HISTORY

TYPES OF POLICY

TRANSITIONAL

SURVIVAL-EXPANSION

DEVELOPMENT

Bibliography

I. Rural Economic Development.

Beaulieu, L. J. (ed). (1988). *The rural south in crisis.* Westview Press, Boulder and London, in cooperation with the Southern Rural Development Center, Mississippi State University.

This book contains writings representing the thoughts and views of a group of scholars familiar with rural society, particularly the rural South. It is divided into four sections:

I. Dimensions of the agricultural/rural community crisis in the South;
II. Current socioeconomic issues in the rural South;
III. Agriculture and rural development policies; past reflections, future directions; and
IV. Opportunities for the vitalization of the rural South.

This book provides a broad overview of the current problems in the rural South, the issues that need to be addressed, and policies that may be followed. It concludes with what the authors feel are some things that must occur if the South is to improve its economic condition. While other topics are discussed, improved educational opportunities were emphasized by many of the authors.

Department of Rural Sociology. (1984). *Community economic development in Wisconsin.* University of Wisconsin: Author.

This conference report begins with a concise discussion of what is needed for economic development to occur, stressing cooperation and communication among community leaders and establishing an agenda for action. Also pointed out is the fact that economic development is a continuous process in that all elements in the agenda for action must be executed equally well. Elements in the agenda for action are discussed in sections titled Strategic Community Audit, Improve Efficiency of Existing Firms, Encourage Business Formation, Attract New Basic Employers, Improve Ability to Capture Income, Increase Aids from Senior Governments, Identify Needs and Goals, Stimulate Greater Participation and Develop Leadership and Organization. Each section includes a specific list of items to be considered to successfully complete that part of the agenda for action.

Pulver, G. C. (1986). *Community economic development strategies.* Madison: University of Wisconsin-Extension, Cooperative Extension Service.

A review of structural changes in the U.S. economy and their influence on economic development comprise the first section of this report. Next, a list of industries that are expected to grow substantially by 1995 is presented. Variables that influence employment and income are also discussed including: migration of employers, change in size of existing firms; births and deaths of firms; location of private investment; and public expenditure patterns. In addition, the importance and components of a comprehensive economic development policy emphasizing community involvement in goal setting are presented. The

report concludes with a list of strategies that can increase community income and employment including improving efficiency of existing firms, improving the ability to capture local dollars, attracting new basic employers, encouraging business formation, and increasing the aid received from state and federal government. Specific tasks for a community to implement are listed under each of the strategies.

Texas Agricultural Extension Service. (1978). *Economic development.* College Station: Texas A & M University.

This task force report describes why and how extension should be and is involved in economic development. Sections include discussions on extension's historical role in dealing with rural leaders at the county level, extension legislation and policy related to economic development, the role of extension in economic development and the elements of an economic development program. The report concludes with an appeal to extension workers to develop a strong working relationship with agencies and organizations who have programs and resources to aid communities in their economic development activities.

University of Wisconsin-Extension. (1982). *Revitalizing rural America.* Madison, WI: Extension Committee on Organization and Policy Task Force on Economic Impact and Data Analysis, Cooperative Extension Programs.

The first section of this committee report describes how changes in the U.S. and world economies, demographic shifts, structural changes in agriculture and other natural resources industries and severe adjustments in the industrial economy have affected rural America. The report goes on to define five 'facts' about rural areas as a result of these changes. The 'facts' include hard work and successful manipulation of natural resources do not guarantee economic success, control over local destiny has been diminished, service demands on local governments are growing as revenues diminish, rural areas are more dependent on volunteer leadership, and human and financial capital are flowing out of many rural areas. A discussion on how communities can deal with each of these 'facts' is included. The report concludes with some specific suggestions on how extension can help to 'revitalize' rural America.

United States Department of Agriculture, Extension Service. (1988). *Extension review.* Vol. 59, No. 1

This issue of the quarterly publication is devoted to how the Extension Service is aiding with economic development in various parts of the United States. The 29 articles cover a variety of topics from overall economic development strategies to discussions of particular examples of successful economic development endeavors.

II. **Building an Economic Development Strategy for a Community.**

Darling, D. L. (1988). Setting community economic goals. *Community development series.* L-714. Manhattan: Kansas State University, Cooperative Extension Service.

This pamphlet describes what goals are and how a community may go about setting goals for economic development. It discusses different kinds of goals and provides a worksheet that community leaders may use to assist them in setting realistic goals for their community.

Darling, D. L. (1985). Strategies for economic development. *Community development series.* L-732. Manhattan: Kansas State University, Cooperative Extension Service.

A method to plan and develop strategies to make your community more prosperous is explored in this pamphlet. The method includes inventorying community resources, establishing goals, deciding what economic development avenues to pursue, and taking action.

Darling, D. L. (1987). Understanding your community's economy. *Community development series.* L-775, Manhattan: Kansas State University, Cooperative Extension Service.

This pamphlet is designed to help local leaders understand how their local economy functions. With this knowledge, it is hoped that local leaders will better understand how economic development affects the various sectors of the economy.

Farr, C. A. (Ed.). (1985). *Shaping the local economy.* Washington, DC: International City Management Association.

This book is a series of articles reprinted from various publications. The articles were selected on the basis of how they related to local residents' control over their own destiny. The articles outline ways to organize an effective economic development program, develop and retain businesses and revitalize commercial districts. Also included are case studies of cities that have had some success in economic development.

Texas Advisory Commission on Intergovernmental Relations. (1983). *Comprehensive planning for small Texas cities.* Austin, TX: Author.

A comprehensive plan will help a community deal with changes in population and the local economy. A plan is equally important in periods of growth or decline. This manual is designed to provide citizens in small cities with an easy-to-read guide to the development of a planning program. The report does four things. It describes the elements of comprehensive planning; it suggests an organizational structure for developing and implementing a planning program; it describes the necessary procedure for drawing up a comprehensive plan; and it summarizes the planning process step-by-step. A primary goal of the manual is to encourage the use of local resource and local manpower in the planning process.

University of Tennessee, Graduate School of Planning Research Center. (1978) *Community goals for Knoxville-Knox County. Volume IV, Community Goals Game Instructional Manual.* Knoxville, TN: Author.

The goals of community residents must be well established before building a strategy for economic development. This manual provides an instructional guide and examples of the materials needed to aid a community in goal setting. The "game" has two purposes—to establish the goals considered most important by residents and to increase citizens' involvement in the planning and community development process.

Nelson, J. R., Doeksen, G. A., & Dreessen, J. (1987). *A guidebook for the planning of economic development in rural Oklahoma communities* (AE 7829). Stillwater: Oklahoma State University, Cooperative Extension Service.

This guidebook stresses three elements in planning for economic development—goal setting, impact analysis and establishing an economic development team. An attitude questionnaire is provided to help community leaders determine community goals. An example of how to do a simple impact analysis is provided. The importance, composition and functions of an economic development team are outlined in the final section of the guidebook. A large number of forms needed for the impact analysis and planning team are provided in an index.

Warner, L., *et al.* (1986). *Ponca City economic development report.* Business and Economic Research, College of Business Administration, Oklahoma State University, Stillwater, Oklahoma.

Ponca City, Oklahoma, provided funds for five OSU specialists to study the city's economic development prospects. Included in their analysis were: an evaluation of Ponca City strengths and weaknesses; identification of target industries; Ponca City's potential as a retirement community; tourism potential; and a retail trade analysis. The report ends with specific recommendations to aid in the economic development of Ponca City.

III. Development Alternatives.

A. Existing Business and Industry.

1. Retention and expansion.

Ohio Cooperative Extension Service. (1986). *The Ohio business retention and expansion program.* Columbus: Ohio State University and the Ohio Department of Development.

This packet of materials is desgined to help keep existing businesses healthy and operating. The premise of the program is that a happy and successful local businessman not only is good for the community, but is also a good ambassador for prospective new businesses or industry. A local task force oversees the program with the help of a trained economic developer. The developer trains local volunteers to interview local businessmen to obtain information about each firm and to determine needs and feelings of local businesses about economic development. Techniques are included in the program to insure a lot of communication among the task force, the volunteers, the trained developer and the local businessmen. Several other states, including Georgia and Oklahoma, have patterned similar programs after the Ohio example.

Taylor, G. S. (1987). *Developing your local economy: Focus on agriculture.* L-2246. College Station: Texas A&M University System, Texas Agricultural Extension Service.

The role of agriculture in economic development is discussed in this paper. Two methods of increasing the role of agriculture are presented. One method involves increasing the gross dollars flowing into the community from agriculture by improving efficiency, growing more valuable crops, storing or processing products locally, etc. Another way is to reduce the outflow of dollars by encouraging people to shop at home, locally produce production inputs, and other things to keep dollars at home.

Taylor, G. S. (1987) *Understanding your local economy: Focus on agriculture.* L-2245. College Station: Texas A&M University System, Texas Agricultural Extension Service.

This is a companion paper to L-2246. Its purpose is to explain the role of agriculture in the local economy. Understanding this role will help local leaders know how their efforts to increase agricultural activity can in turn affect economic development.

2. **Retail trade.**

Fisher, D. U., & Jones, S. H. (1985). *Fundamentals of business.* Mississippi State: Mississippi State University, Southern Rural Development Center.

> This is an instructor's manual of small business management training programs. There are 12 sections in the manual covering finances, all phases of marketing, personnel and business management, computer uses, customer relations and business planning. Several of the sections utilize films and/or slides to deliver the message and many of the sections include notes and overheads for the instructor's use. Other sections have examples of worksheets to aid with the task at hand and some have examples of handouts for the program participants. The final section contains a list of extension specialists around the country that have small business management responsibilities and a list of books and publications on business management.

Stebbins, D. (1987). *Developing your local economy: An overview of alternatives.* L-2243. College Station: Texas A&M University System, Texas Agricultural Extension Service.

> Industrial recruitment is often what is thought of when economic development is mentioned. The author discusses several alternatives that should also be considered. They include: "home grown" manufacturing and processing; improvements in retail trade and services; attracting retirees to your community; and increasing tourism in your area.

Stebbins, D. (1987). *Developing your local economy: Business incubators.* L-2244. College Station: Texas A&M University System, Texas Agricultural Extension Service.

> Home grown businesses are recognized as a viable economic development alternative. A popular method for a community to encourage home grown business is to provide an "incubator." This paper describes what incubators are and how a community may establish and operate an incubator.

Stebbins, D. & Whitehorn, N. (1987). *Developing your local economy: Consumer opinion survey using consumer panels.* L-2257. College Station: Texas A&M University System, Texas Agricultural Extension Service.

> The retail trade and service sector of the economy are essential parts of a healthy local economy. Improvements in those sectors cannot be made unless the problems are identified. This paper provides information on how a community may conduct a consumer opinion survey to identify things that must be done if more local dollars are to remain at home. Included in the paper are a sample survey questionnaire and a survey planning guide.

B. **New business and industry.**

1. **Industrial/business recruitment.**

Alabama Cooperative Extension Service. (1986). *Intensive industrial development training course for Alabama.* Auburn, AL: Auburn University.

This large loose-leaf notebook is made up of a number of lectures by specialists in the many areas of industrial development. The training course was designed to take 6-8 days divided into three sections. The first session covers how to prepare for economic development to maximize local potential. The second session covers prospecting for industry and what is required of the community. The last section is designed to show local leaders how to assure success in their industrial development program. Although several lectures in the notebook are specific to Alabama, many of the lectures are not site specific.

Fernstrom, J. R. (1979). *Bringing in the sheaves.* (4th ed.). Corvallis: Oregon State University, Extension Service.

This book is a text for a self study course in industrial development. With its many forms, worksheets and examples, it may also be used as a handbook on industrial development. The book is divided into two parts. Part one is understanding industrial development, including chapters on economic growth, organizations, sectors and the local economy. Other chapters cover plant location theory and factors that affect plant location. The second part of the book describes how a community can practice industrial development. It has chapters on how industry selects plant locations and what communities can do to attract industry.

Lee, V. W. (ND). *Industrial development for a small rural community* (Circular R-68). Auburn, AL: Auburn University, Alabama Cooperative Extension Service.

This booklet provides a concise overview of the steps a community must take to prepare itself for industrial development.

Lee, V. W. (1982). *Questions industrial prospects most often ask about a community* (Circular CDR-20). Auburn, AL: Auburn University, Alabama Cooperative Extension Service.

This booklet provides a list of questions that will aid any community in preparing for economic development. It will be especially helpful for those preparing a plan for economic development.

Wagner, K. C. (1986). *Economic development manual.* Oxford, MS: University Press.

This book covers many of the topics a community needs to consider in trying to attract new industry. It is written in a nontechnical, entertaining manner. The book includes discussions on setting goals, identifying obstacles to achieiving those goals, and mapping out systematic efforts to removing the obstacles. Each chapter contains do's and don'ts on how to accomplish the particular task under discussion. The appendix contains examples of data and information a community needs to assemble in its effort to attract industry.

2. **Tourism.**

Blank, U., Simonson, L., & Laresen, D. (1978). *So your community wants tourism* (Extension Folder 379-1978, Hospitality Series No. 4). University of Minnesota: Agricultural Extension Service.

This extension publication defines a tourist as anyone who is traveling including guests, visitors, conventioneers, business travelers and/or pleasure travelers. It describes various 'attractors' such as convention centers and outdoor recreational sites and emphasizes the importance of hospitality services within the community. The publication also provides a list of the pros and cons of tourism for a community. It concludes with some tips on how a community can improve its tourist industry.

Larsen, D., Blank, U., & Simonson, L. (1979). *Know your community* (Extension Folder 472-1979, Hospitality Series No. 4). Minneapolis: University of Minnesota, Agricultural Extension Service.

This publication makes the case for the importance of local residents knowing about things in their community that would be attractive to tourists so that they can answer questions about what's to do. Information is presented on how to conduct a community inventory and who may do it. The publication ends with some ideas on how, and to whom, the information can be distributed.

University of Missouri College of Public and Community Services. (1986). *Tourism USA.* Columbia, MO: Department of Recreation and Park Administration.

This comprehensive book was designed to aid communities interested in initiating or developing tourism as a part of their economic development plan. Chapter 1 is titled Appraising Tourism Potential and covers the benefits and costs of tourism development and asks what your community has to offer tourists. Chapter 2, Planning for Tourism, discusses the leadership role of various community groups and tells how to plan and coordinate tourism. A market analysis is the topic of Chapter 3. Chapter 4 provides information on how to sell tourism in your community. Providing services to visitors is covered in Chapter 5. The final chapter discusses sources of assistance in developing tourism. Several of the chapters include example questionnaires, work sheets and illustrations to help in planning for tourism development.

3. **Home based business.**

Oklahoma State University Cooperative Extension Service. (1987). *Home based business, putting it all together.* Stillwater: Author.

Many of the things you ever wanted to know about home based business is right here. The critical topics discussed include assessing your personal traits and habits to see if you are 'cut out' for a home based business; determining what it is you want to do or make and if there is a market for it; developing a plan of operations including a cost and return analysis; legal considerations; and assessing how the business will fit into your family life. There are 11 sections in the publication and many of the sections include checklists and/or forms to aid in accomplishing the task at hand.

4. **Entrepreneur encouragement.**

Sargent, D. J. & Chambers, M. N. (1986). *Your business plan.* Eugene: Oregon Small Business Development Center Network.

The authors prepared this workbook after working with hundreds of existing and aspiring small businessmen. Its purpose is to help the aspiring to evaluate their

business idea and the existing to prepare a business plan. The workbook is divided into 20 sections and each section contains step-by-step instructions and forms to complete. It contains sections on everything from a personal profile, to marketing, to cash flow, to break-even analysis, etc. The workbook was designed to be completed in sequence but existing businesses may find individual sections useful.

Southern Rural Development Center, (1987). *National rural entrepreneurship symposium – Proceedings.* Mississippi State, MS: Author.

The contents of this publication are the papers presented at the symposium. Topics include who rural entrepreneurs are, the role of entrepreneurship in rural development, examples of entrepreneurs in rural settings, how to aid and finance entrepreneurs, and implications for entrepreneur policy.

Strawn, H. B. (19) *Developing small firms in local communities*, (Circular CRD-24). Auburn: Alabama Cooperative Extension Service.

Included in this publication is a concise discussion of factors to consider in starting a new business. Factors considered are probabilities of success, markets, and types of business organizations. There is also a seciton on how a community can aid prospective businessmen. The publication concludes with a checklist to use before going into business and some questions to ask before trying it.

U.S. Small Business Administration. (1986) *Small business incubator resource kit.* Washington, DC: Office of Private Sector Initiatives.

This kit contains three pamphlets. One is a resource summary that gives a brief description of how small business incubators work, their benefits to the community, who sponsors them, where they may be housed and the nature of the businesses that may participate. Another of the pamphlets contains a series of articles describing some existing incubators in various parts of the country. The third pamphlet is a directory of contacts in each state for information on small business incubators. It also has a list of incubators in each state.

5. **Retirement and aid and grants from state and federal government.**

Summers, G. F. & Herschl, T. A. (1985). Capturing cash transfer payments and community economic development. *Journal of the Community Development Society, 16,* (2) 121-132.

The authors of this journal discuss the impact on rural economic development of transfer payments in general and retirement benefits in particular. They point out that a significant part of total income is made up of transfer payments, and that retirement benefits are its major component. They have found that retirees spend a high percentage of their income, and that jobs are created as a result. Some strategies for attracting retirees to rural communities are proposed.

IV. **Financing Economic Development.**

Walzer, N., & Chicoine, D. L. (Eds.) (1986). *Financing economic development in the 80's,* New York: Praeger Publishers.

Chapters 6, 7, 9, of this book relate to financing economic development. Chapter 6 discusses the state role in economic development through financial incentives, tax breaks, and several types of non-financial assistance. Chapter 7 offers a methodology for evaluating the cost effectiveness of various incentives given to industry and goes on to discuss the incentives. Chapter 9 presents information on a variety of debt instruments a community may use to finance acquisition, construction, or renovation of public facilities.

Bank of America. Small business reporter. (1980). *Financing small business.* Marketing and Publications Department, No. 3120.

Planning for the financial needs of a new or expanding small business is the topic of the first section of this publication. Equity and debt financing are explained, and various typical sources for each of the two financing needs are discussed. Information on where to find financial assistance is also presented. Before a loan can be obtained, the lender must have confidence that the loan can be repaid. A formal business plan is the tool needed by the lender to help make his decision. A sample business plan is included in this report. Also included is the outline of a complete list of information that most lenders will require.

Office of Business Development. U.S. Small Business Administration. (1986). *The abc's of borrowing.* Management Aids, No. 1,001.

This management aid gives a brief description of seven fundamentals of borrowing. They include: (1) credit worthiness; (2) appropriate kind of loan to pursue; (3) how much money will be needed and how will it be spent; (4) kinds of collateral; (5) loan restsrictions and limitations imposed by the lender; (6) information and forms needed for the loan application; and (7) standards which the lender uses to evaluate the application.

V. **Impact Analysis.**

Southern Rural Development Center. (1982). *Community impact analysis - proceedings of a workshop.* Mississippi State, MS: Author.

The papers reprinted in this proceedings provide some alternative models that an economic development specialist may use to conduct an impact analysis for a community. The papers range from a review of 13 models, to detailed information for operating a specific model, to how to do a pad and pencil impact model. Several of the papers include sample outputs.

U.S. Department of Commerce, Economic Development Administration, *Coping with the loss of a major employer, a how to manual,* Washington, DC: Author.

This manual is designed to aid a community that has lost, or is about to lose, a major employer. It presents a four step process to help the community cope with their problem. The first step is to organize community leaders to carry out the process. The next step is to determine why the employer is leaving and to analyze what alternatives the community has with respect to the displaced plant and employees. Once the alternatives are defined, the next step is to decide what alternatives will generate the best results for the community. The final step is to pursue the alternatives selected. An Appendix lists a number of economic development tools that a community may use to accomplish its goals.

University of Wisconsin-Extension. (1982). *Revitalizing rural America.* Madison, WI: Extension Committee on Organization and Policy Task Force on Economic Impact and Data Analysis, Cooperative Extension Programs.

Understanding impact analysis, how to evaluate it and how to use it in community development efforts are the topics of this report. An especially important aspect is an understanding of the benefits and costs of economic development. The first section asks and answers 8 questions about the impact of a new business activity on a community. The second section concentrates on the impacts of new business activity on community services and revenues. Input-output and export base models are discussed in the next section as a means of estimating changes in employment and/or income as a result of new business activity. Nonmarket impacts, such as environmental changes, are the subject of the final section of this report.

VI. Infrastructure

A. The Role of Community Services in Community Development.

Doeksen, G. A., Woods, M., & Lenard, V. (1983). *An overview of community service research and extension materials in the South and selected states.* Paper presented at Southern Regional Triennial CRD Workshop, Birmingham, AL.

This publication summarizes recent and ongoing research in community services. The first part of the paper discusses published reports categorized by type of service — water and sewer systems, fire service, ambulance service, etc. Next is a discussion of ongoing research on impact analysis and general research related to community services. An extensive reference section covers recent publications by type of community service. A list of ongoing research is also included. The research list includes the objectives, financing organization, current status and findings for each research project.

Doeksen, G. A. (1985). *Budgeting: The foundation of community service research and extension programs*. Paper presented at National Symposium on Local Infrastructure Investment Decisions, Washington DC.

The importance of budgeting in the analysis of providing community services is presented in this report. The research behind the budgeting process and an illustration of how the budgets are used in an extension program make up a large part of the paper. The research example examines the steps needed to provide the data to evaluate emergency medical services in rural areas. The illustration is a summary of a study on providing emergency medical services for a county in Oklahoma. The final section of the paper discusses the strengths and weaknesses of budgeting as a decision tool.

VII. Public Policy Considerations.

Drabenstott, M., Henry, M., & Gibson, L. (1987). The rural economic policy choice. *Economic Review*, 41-58.

The authors of this article discuss two fundamental policy choices. First is a transition policy which aims at easing the problems caused as people and resources move out of rural areas. The second policy is one designed to keep or increase population and resources in rural areas. A third policy choice is a blending of the first two. Transition policies include training, unemployment insurance, assistance in maintaining infrastructure and income maintenance. The authors define three program approaches in an economic development policy—infrastructure investment aid, business development subsidies and information programs to enhance markets for goods produced in rural areas.

Economic Research Service, U.S. Department of Agriculture. (1987). *Rural economic development in the 1980's, preparing for the future.* Agriculture and Rural Economy (ERS Staff Report No. AGES870724).

As the title indicates, the 17 papers in this publication deal with past, present and future rural development policies. Several papers outline demographic and economic changes that have occurred in rural areas and the kind of stress those changes have rendered. Other papers discuss the advantages and disadvantages of various types of policies, ie. macro, regional, sectorial and human resources. Most of the other papers analyze several rural development policy alternatives.

Lyng, R. E. & Vautour, R. R. (1988). *On the move: A report on rural economic development in America.* Washington, D.C.: Office of Under Secretary for Small Community and Rural Development, United States Department of Agriculture.

The U.S. Secretary of Agriculture authored this report in an attempt to define the current efforts of the federal government in the area of rural economic development. A six point program is described: 1. education and training by the cooperative extension service; 2. Rural Enterprise Teams in each state to address rural development needs; 3. Rural Information Centers as provided by the National Agricultural Library; 4. expand research on rural economic development; 5. redirect business and industry loans made by the Farmers Home Administration, and 6. a redirection of upper level USDA management. The report concludes with a brief description of a multitude of federal government agencies and programs designed to aid in rural economic development.

Smith, T. R. (1988). Economic development in the nation's heartland: Issues and strategies. *Economic Review.* Federal Reserve Bank of Kansas City, Vol. 73, No. 5, 3-10.

The author summarizes papers presented at a conference held in November, 1987, with the same title as the article. The summary is divided into three parts. The first part includes a discussion of the strengths and weaknesses of the central US and its prospects for growth. The second part examines what can be done at the national and regional level to improve those prospects. The final section explores specific things that must be done by key participants in the development process.

Fosler, R. S. (1988). Economic development: A regional challenge for the heartland. *Economic Review.* Federal Reserve Bank of Kansas City, Vol. 73, No. 5, 10-20.

A lack of a strong regional organization is identified by the author as a reason for the heartland falling behind in economic development. He maintains that regional action on economic concerns is a must and suggests three things that area leaders should consider in dealing with the problem. First, consider the positive factors that favor regional cooperation. Second, evaluate the obstacles to cooperation in the region. Third, on the basis of one and two, design a strategy for economic development that would be beneficial and practical.

Rasmussen, W. D. (1985). 90 years of rural development policy. *Rural Development Perspectives.* October.

A history of rural development policies and programs of the federal government is the subject of this report. In the early part of the century, the emphasis was on improving rural life—better roads, electricity, communication, education and other services. The transition from an agricultural society to an industrial society was the next task addressed by federal policy makers. More recently, efforts have been directed at increasing economic activity in rural areas.

Swanson, L. E. & Skees, J. R. (1987). Funding new ideas for old objectives: The current case for rural development programs. *Choices*, Fourth Quarter, 8-11.

The authors contend that too often rural development is thought to be synonymous with farm programs. They feel that while payments to farmers do help rural areas, a disproportionate amount goes to the very large farmers. They also feel that these payments do not do enough to address the underlying rural problems of inadequate education, lack of jobs and community infrastructure. The authors propose to redirect payments made to the very large farmers to rural development programs aimed at education, job development and investment in infrastructure.

VIII. Additional Reference Material.

Bender, L. D., Green, B. L., Hady, T. F., Kuehn, J. A., Nelson, M. K., Perkinson, L. B., & Ross, P. J. (1985). *The diverse social and economic structure of nonmetropolitan America* (RDRR No. 49). Washington, DC: Economic Research Service, U. S. Department of Agriculture.

All rural counties in the U.S. are classified according to their economic structure in this publication. Seven classifications are defined: agriculture, manufacturing, mining, government, poverty, federal lands and retirement. A map locating each type of county is provided along with statistics comparing each with the other rural counties. A discussion of policy implications for each of the county classifications is also presented.

Harmston, F. K. (1983). *The community as an economic system*. Ames: Iowa State University Press.

This book was written to be used as a text for a senior or graduate level course in community economics. Several of the chapters provide background information for economic development specialists. Chapters of note are those on location theory, multipliers, how public actions affect communities and methodologies that are useful in community analysis.

Hustedde, R., Shaffer, R., & Pulver, G. (1984). *Community economic analysis: A how-to manual*. Ames: Iowa State University, North Central Regional Center for Rural Development.

The manual is designed to provide an economic development specialist with some tools for community economic analysis. Among the tools discussed are multipliers; trade area analysis—Reilies Law, pull factors; location quotients; population-employment ratios; and shift-share analysis. This is not an exhaustive list of the topics covered. An appendix covering many of the tools explains the purpose of the tool, an example of its use, data need, and how to do the calculations and interpret the results. A bibliography for further study of the tools is also provided in the manual.

National Association of Towns and Townships. (1986). *Harvesting hometown jobs*. Washington DC: Author.

Elected community leaders are the target of this guidebook. It was designed to show how and why community leaders can organize and carry-out effective job and revenue-generation activities. Chapters 1-3 provide information on what economic development is and does; how to get community participation, collecting and assessing community data. Chapter 4 covers what communities can do to increase existing employment and/or new hometown businesses. Attracting new basic employers is the topic of chapter 5. Alternative financing sources for economic development is the topic of the final chapter.

North Central Regional Center for Rural Development. (1987). Economic development for rural revitalization. Ames, IO: Author.

This handbook was designed to accompany a videotape, but it stands alone very well. The first section defines the critical forces affecting the rural economy and explains why extension is in the economic development business. Forces affecting the rural economy are explored further in the next section, but it goes on to discuss theories and policy options for economic development. A brief discussion of the role of extension in economic development and highlights of selected programs followed by case studies are the topics of part three. Part four is a list of selected resources extension personnel may draw upon in developing and implementing community economic development programs.

RedArk Development Authority. (1986). Focus on the future. *RedArk Development Authority Symposium in Economic Development Leadership.* McAlester, OK: Author.

This first RedArk symposium workbook begins with an overview of what economic development is all about and then discusses economic development in Oklahoma. It continues with sections on encouraging home grown business, attracting new business and industry, preparing the community for economic development, planning for economic development, and identifying economic development opportunities for the region. Worksheets, forms and examples are provided in several of the sections.

RedArk Development Authority. (1987). Focus on the future, focus II, meeting the challenge. *RedArk Development Authority Symposium in Economic Development Leadership.* McAlester, OK: Author.

This second RedArk symposium workbook is an updated version of the first workbook. In addition to the topics covered in the first workbook, a section on financing economic development has been added. The other sections were updated.

Thomas, M. G. (1986). A rural economic development source book. Kansas City, KS: Midwest Research Institute.

This is an annotated bibliography for rural economic development. The citations were selected primarily on the basis of having a strong 'how-to' component and on being the 'best' for the topic at hand. The work is divided into four parts. The first part covers publications dealing with organizing and planning for economic development. The next set of publications deal with subjects that lead to increased income and employment such as industry recruitment. The third part includes publications that discuss tools and techniques for analyzing and implementing economic development. The last part annotates a group of periodicals dedicated to economic development. An appendix provides a handy cross-reference of the publications included in the bibliography.

Thomas, M. G. (1987). *Rural economic development: A resource file of selected technical assistance providers.* Midwest Research Institute, Kansas City, MO.

A state by state list of economic development specialists is provided in this publication. Their address and phone number are provided along with brief descriptions of their particular specialty. Also listed in separate appendices are: members of the National Association of Development Organizations; Cooperative Extension Service RD specialists; a directory of EDA university centers; and a directory of state development agencies.

Southern Rural Development Center. (1987). *Responding to the crisis in the rural south, highlights of selected public and private sector initiatives.* Mississippi State, MS: Author.

This collection of articles highlights specific types of programs and policies designed to aid rural development in the South. The publication is divided into programs by state governments, the Cooperative Extension Service and non-profit voluntary organizations.

Stark, N. (1988). *Growing our own jobs.* Washington, D.C.: National Association of Towns and Townships.

This book discusses 25 case studies of small towns that have had success with economic development projects. The emphasis is on communities that utilize their agricultural base to drive economic development. Topics include: producing specialty crops; processing; farmers markets; tourism; crafts; and others.

REFERENCES

Alabama Cooperative Extension Service. (1986). *Intensive industrial development training course for Alabama.* Auburn, AL: Auburn University.

Bank of America. Small business reporter. (1988). *Financing small business.* Marketing and Publications Department, No. 3120.

Beaulieu, L. J. (ed). (1988). *The rural south in crisis.* Westview Press, Boulder and London, in cooperation with the Southern Rural Development Center, Mississippi State University.

Bender, L. D., Green, B. L., Hady, T. F., Kuehn, J. A., Nelson, M. K., Perkinson, L. B., & Ross, P. J. (1985). *The diverse social and economic structure of nonmetropolitan America* (RDRR No. 49). Washington, DC: Economic Research Service, U. S. Department of Agriculture.

Blank, U., Simonson, L., & Larsen, D. (1978). *So your community wants tourism* (Extension Folder 379-1978, Hospitality Series No. 4). University of Minnesota: Agricultural Extension Service.

Darling, D. L. (1988). Setting community economic goals. *Community development series.* L-714. Manhattan: Kansas State University, Cooperative Extension Service.

Darling, D. L. (1985). Strategies for economic development. *Community development series.* L-732. Manhattan: Kansas State University, Cooperative Extension Service.

Darling, D. L. (1987). Understanding your community's economy. *Community development series.* L-775. Manhattan: Kansas State University, Cooperative Extension Service.

Department of Rural Sociology. (1984). *Community economic development in Wisconsin.* University of Wisconsin.

Doeksen, G. A. (1985, April). *Budgeting: The foundation of community service research and extension programs.* Paper presented at National Symposium on Local Infrastructure Investment Decisions, Washington, DC.

Doeksen, G. A., Woods, M., & Lenard, V. (1983, October). *An overview of community service research and extension materials in the South and selected states.* Paper presented at Southern Regional Triennial CRD Workshop, Birmingham, AL.

Drabenstott, M., Henry, M., & Gibson, L. (1987). The rural economic policy choice. *Economic Review,* Vol. 72, No.1, 41-58.

Economic Research Service, U.S. Department of Agriculture. (1987). *Rural economic development in the 1980's, preparing for the future* (ERS Staff Report No. AGES870724). Agriculture and Rural Economy Division.

Farr, C. A. (Ed.). (1985). *Shaping the local economy.* Washington, DC: International City Management Association.

Fernstrom, J. R. (1979). *Bringing in the sheaves.* (4th ed.). Corvallis: Oregon State University, Extension Service.

Fisher, D. U., & Jones, S. H. (1985). *Fundamentals of business.* Mississippi State: Mississippi State University, Southern Rural Development Center.

Fosler, R. S. (1988). Economic development: A regional challenge for the heartland. *Economic Review.* Federal Reserve Bank of Kansas City, Volume 73, No. 5, 10-20.

Harmston, F. K. (1983). *The community as an economic system.* Ames: Iowa State University Press.

Hustedde, R., Shaffer, R., & Pulver, G. (1984). *Community economic analysis: A how-to manual.* Ames: Iowa State University, North Central Regional Center for Rural Development.

Larsen, D., Blank, U., & Simonson, L. (1979). *Know your community* (Extension Folder 472-1979, Hospitality Series No. 4). Minneapolis: University of Minnesota, Agricultural Extension Service.

Lee, V. W. (1982). *Questions industrial prospects most often ask about a community* (Circular CDR-20). Auburn, AL: Auburn University, Alabama Cooperative Extension Service.

Lee, V. W. (ND). *Industrial development for a small rural community* (Circular R-68). Auburn, AL: Auburn University, Alabama Cooperative Extension Service.

Lyng, R. E. & Vautour, R. R. (1988). *On the move: A report on rural economic development in America*. Washington, D.C.: Office of Under Secretary for Small Community and Rural Development, United States Department of Agriculture.

National Association of Towns and Townships. (1986). *Harvesting hometown jobs*. Washington, DC: Nancy Stark.

Nelson, J. R., Doeksen, G. A., & Dreessen, J. (1987). *A guidebook for the planning of economic development in rural Oklahoma communities* (AE 7829). Stillwater: Oklahoma State University, Cooperative Extension Service.

North Central Regional Center for Rural Development. (1987). *Economic development for rural revitalization*. Ames, IO: Beth Walter Hondale.

Office of Business Development. U.S. Small Business Administration. (1986). *The abc's of borrowing*. Management Aids, No. 1.001.

Ohio Cooperative Extension Service. (1986). *The Ohio business retention and expansion program*. Columbus: Ohio State University and the Ohio Department of Development.

Oklahoma State University Cooperative Extension Service. (1987). *Home based business, putting it all together*. Stillwater: Marilyn Burns.

Pulver, G. C. (1986). *Community economic development strategies*. Madison: University of Wisconsin-Extension, Cooperative Extension Service.

Rasmussen, W. D. (1985). 90 years of rural development policy. (pp.6-7) *Rural Development Perspectives*.

RedArk Development Authority. (1987). Focus on the future, focus II, meeting the challenge. *RedArk Development Authority Symposium in Economic Development Leadership*. McAlester, OK: Tennessee Valley Authority.

RedArk Development Authority. (1986). Focus on the future. *RedArk Development Authority Symposium in Economic Development Leadership*. McAlester, OK: RedArk Development Authority.

Sargent, D. J., & Chambers, M. N. (1986). *Your business plan*. Eugene: Oregon Small Business Development Center Network.

Smith, T. R. (1988). Economic development in the national's heartland: Issues and strategies. *Economic Review*. Federal Reserve Bank of Kansas City, Volume 73, No. 5, 3-10.

Southern Rural Development Center. (1987, May). *Responding to the crisis in the rural south, highlights of selected public and private sector initiatives*. Mississippi State, MS: Lionel Beaulieu, Editor.

Southern Rural Development Center. (1987, February). *National rural entrepreneurship symposium - Proceedings*. Mississippi State, MS: Bonnie Teater, Editor.

Southern Rural Development Center. (1982, May). *Community impact analysis - Proceedings of a workshop*. Mississippi State, MS.

Stark, N. (1988). *Growing our own jobs*. Washington, D.C.: National Association of Towns and Townships.

Stebbins, D. (1987). *Developing your local economy: An overview of alternatives*. L-2243. College Station: Texas A&M University System, Texas Agricultural Extension Service.

Stebbins, D. (1987). *Developing your local economy: Business incubators*. L-2244. College Station: Texas A&M University System, Texas Agricultural Extension Service.

Stebbins, D. & Whitehorn, N. (1987). *Developing your local economy: Consumer opinion survey using consumer panels.* L-2257. College Station: Texas A&M University System, Texas Agricultural Extension Service.

Strawn, H. B. (1984). *Developing small firms in local communities* (Circular CRD-24). Auburn: Alabama Cooperative Extension Service.

Summers, G. F., & Herschl, T. A. (1985). Capturing cash transfers payment and community economic development. *Journal of the Community Development Society, 16,* (2), 121-132.

Swanson, L. E., & Skees, J. R. (1987). Funding new objectives ideas for old: The current case for rural development programs. *Choices,* 8-11.

Taylor, G. S. (1987). *Developing your local economy: Focus on agriculture.* L-2246. College Station: Texas A&M Univeristy System, Texas Agricultural Extension Service.

Taylor, G. S. (1987). *Understanding your local economy: Focus on agriculture.* L-2245. College Station: Texas A&M University System, Texas Agricultural Extension Service.

Texas Advisory Commission on Intergovernmental Relations. (1983). *Comprehensive planning for small Texas cities.* Austin, TX: Jim Reed.

Texas Agricultural Extension Service. (1978). *Economic development.* College Station: Texas A&M.

Thomas, M. G. (1987). *Rural economic development: A resource file of selected technical assistance providers.* Midwest Research Institute, Kansas City, Missouri.

Thomas, M. G. (1986). *A rural economic development source book.* Kansas City, KS: Midwest Research Institute.

University of Missouri College of Public and Community Services. (1986). *Tourism USA.* Columbia, MO: Department of Recreation and Park Administration.

University of Tennessee, Graduate School of Planning Research Center. (1978). Community goals for Knoxville-Knox County. *Vol. IV Community Goals Game Instructional Manual.* Knoxville, TN: George Bowen.

University of Wisconsin-Extension. (1982). *Revitalizing rural America.* Madison, WI: Extension Committee on Organization and Policy Task Force on Economic Impact and Data Analysis, Cooperative Extension Programs.

U.S. Department of Agriculture, Extension Service. (1988). *Extension review.* Vol. 59, No. 1.

U.S. Department of Commerce, Economic Development Administration. (1981). *Coping with the loss of a major employer, a how-to manual.* Washington, DC: Author.

U.S. Small Business Administration. (1986). *Small business incubator resource kit.* Washington, DC: Office of Private Sector Initiatives.

Wade, J. L., & Cook, C. E. (1986). *Alternative economic activities, catalog of ideas.* Columbia: University of Missouri-Columbia, Department of Community Development.

Wagner, K. C. (1986). *Economic development manual.* Oxford, MS: University Press.

Walzer, N., & Chicoine, D. L. (Eds.). (1986). *Financing economic development in the 80's.* New York: Praeger Publishers.

Warner, Larkin, *et al.* (1986). *Ponca city economic development report.* Business and Economic Research, College of Business Administration, Oklahoma State University, Stillwater, Oklahoma.

APPENDIX A

DESCRIPTION OF A MODEL PROGRAM

Description of a Model Program

The following model program agendas utilized much of the material presented in this workbook. Area Rural Development Specialists at Oklahoma State University took the broad outline and modified the agenda and material to meet specific community needs. To date, approximately 20 communities have participated in the resulting training, each receiving 12-15 hours of training. The area Rural Development specialists working on the projects are:

Ed Henderson, Northeast District, Muskogee
Jack Frye, Southeast District, Ada
Stan Ralston, Northeast District, Enid, and
J. D. McNutt, Southeast District, Duncan

Other agencies participated as partners in the effort and included Sub-state Planning and Development Districts, Verd Ark Ca Development Corporation, RedArk Development Authority, Oklahoma Department of Commerce and Utility companies.

Description of a Model Program

I. OVERVIEW
- a. What is Economic Development
- b. Community's Role in Economic Development
- c. Components of an Economic Development Program

II. BASIC ECONOMIC DATA AND ANALYSIS
- a. County and Community Economic Data
- b. Community Profile
- c. Community Census Data
- d. Strengths and Weaknesses (summary)

III. ECONOMIC DEVELOPMENT STRATEGY
- a. Preparing for Economic Development
- b. Preparing a Strategy for Economic Development

IV. HOME GROWN BUSINESS AND INDUSTRY
- a. Identify Local Businesses
- b. Retail Trade Assistance
- c. Business/Industry Visitation Program
- d. The Local Business/Industry Improvement Program

V. ATTRACTING NEW BUSINESS AND INDUSTRY
- a. Target Industry Study Findings
- b. Selection of Priority Industries
- c. Acquisition of Company Names and Addresses
- d. The New Industry Marketing Program

VI. COMMUNITY TEAM DEVELOPMENT
- a. Community Marketing Team
  1. Role and Responsibility
  2. Information Requirements
  3. How to Host Prospects
- b. Community Negotiation Team
  1. Sensitivity and Dynamics
  2. Role and Responsibilities
  3. Closing the Deal

VII. FINANCING ECONOMIC DEVELOPMENT
- a. The Structuring of Economic Development Projects
- b. Alternative Sources of Financing
- c. Packaging Economic Development Projects

VIII. COMMUNITY IMPACT ANALYSIS
- a. Impact of Attracting a New Industry
- b. Impact of Losing an Existing Industry
- c. Review and Modify Economic Development Strategy

IX. COMMUNITY COMMITMENT TO WORK
- a. Establishing Working Committees
- b. Finalyzing Action Plan

Model Program Planning Procedures

1. Identify intended audience - city government, county government, Chambers of Commerce, Industrial Trust, business and civic leaders, other individuals or groups interested in economic development.

2. Identify initial interest and request from community.

3. Involve local County Extension Agent, Area Rural Development Specialist, and State Extension Specialist - Cooperative Extension Service - Oklahoma State University.

4. Review past agendas and possible subject matter topics. Agree on final agenda for workshop. Topics covered and final agenda may vary from community to community. The final agenda should include topic, teaching team agency (agency who will present that topic), and individuals who will represent the agency or group.

5. Agree on date(s) to deliver workshop and workshop format (number of days workshop will consist of and length of time for each meeting).

6. Contact other agencies who may provide speakers or resources. It is important to include as many agencies or groups as possible to assist in the training. This will be voluntary on their part so involving them early is critical. Example participants should include utility companies, rural electric cooperatives, sub-state planning districts, small business development centers, small business administration, department of commerce, etc. The contact to these groups should be carefully coordinated by the teaching team and community.

7. Agree on any workshop fees to be charged. A fee has been charged in the past to cover the cost of binders and photocopying.

8. Appoint or identify contact person for teaching team and community to insure coordination.

9. Identify and collect any survey data (consumer shopping, attitudes, community needs, etc.) which may be needed prior to the workshop. The timing and need for this will vary depending upon objectives of each workshop.

10. Identify individual(s) to coordinate local facilities (meeting place, equipment, coffee, etc.).

11. Review above points - there are always details to consider.

12. Have a good workshop!

Model Program Strategic Planning
(Summary Discussion)

This workshop series and guidebook has been developed to aid local decision makers as they proceed with planning for economic development. The overall objectives are:

1. to present alternative economic development strategies;
2. to identify external forces as well as local forces at work in the local economy; and
3. to begin to develop and implement a strategy for economic development.

Procedure

A community economic development retreat (one evening session) is planned to explain alternative economic development strategies and to summarize assistance available to local decisionmakers.

Community Economic Development Retreat

Responding to requests for assistance with community economic development, a pilot program and "community retreat" has been developed for rural communities. The general objective of the retreat is to explore tools and techniques used in strategic planning for economic development. Specifically, the objectives of the retreat are (1) to present and discuss alternative economic development strategies; (2) to identify external forces as well as local forces at work in the local economy; and (3) to begin to develop and implement a specific strategy for economic development — activities to be conducted at the community level.

An overview session is delivered to the community with the audience including local businessmen, Chamber of Commerce members and officials, local government, and other local leaders. These individuals represent the local community economic development team and normally number between 15 and 25. The teaching team includes Cooperative Extension Service professionals, sub-state planning district staff, and other state/regional agency professionals. It is important to note this is a team effort including several state agencies. This reduces confusion for the community regarding sources of assistance and insures all avenues for assistance will be explored.

As part of the overview session, several follow-up workshops are described. Each of the workshop segments represents a part of overall economic development efforts. The series can be completed in nine evening sessions (approximately 2 hours in length for each session). Normally, the evening sessions meet one night per week until the series is completed.

Different members of the teaching team provide leadership for the various topics. This provides the community with a wide exposure to economic development alternatives and techniques. Topics covered in the individual workshop series include:

1. Overview
2. Basic Economic Data and Analysis
3. Economic Development Strategy
4. Home Grown Business and Industry
5. Attracting New Business and Industry
6. Community Team Development
7. Financing Economic Development
8. Community Impact Analysis
9. Community Commitment to Work

Topics 2 through 9 are covered in the follow-up evening sessions as noted earlier. A critical issue is the commitment to work by the local community. Several of the topics include "working" sessions with community team involvement. The result will be a blueprint for action produced by the community.

Alternative retreat formats may include coverage of the above material in fewer evening sessions (four sessions instead of nine) or a two-day retreat covering all topics in a single meeting. Response to requests for this "community retreat" are based on available resources.

MODEL PROGRAM
TOPICS AND TEACHING RESPONSIBILITY

		TEACHING TEAM AGENCY	INDIVIDUAL TEACHER	DATE
I.	OVERVIEW	_____	_____	_____
II.	BASIC ECONOMIC DATA AND ANALYSIS	_____	_____	_____
III.	ECONOMIC DEVELOPMENT STRATEGY	_____	_____	_____
IV.	HOME GROWN BUSINESS AND INDUSTRY	_____	_____	_____
V.	ATTRACTING NEW BUSINESS AND INDUSTRY	_____	_____	_____
VI.	COMMUNITY TEAM DEVELOPMENT	_____	_____	_____
VII.	FINANCING ECONOMIC DEVELOPMENT	_____	_____	_____
VIII.	COMMUNITY IMPACT ANALYSIS	_____	_____	_____
IX.	COMMUNITY COMMITMENT TO WORK	_____	_____	_____

APPENDIX B

SAMPLE AGENDAS

Example 1

ECONOMIC DEVELOPMENT AGENDA

DAY ONE

Topic	Time
Introductions	15 minutes
Overview of Economic Development	30 minutes
What is it?	
How do we get it?	
What are our alternatives?	
Basic Economic Data	30 minutes
Building an Economic Development Strategy	30 minutes
Attracting New Business and Industry	45 minutes
Targeted Approach	
Prospect Receiving Team	

DAY TWO

Topic	Time
Home Grown Business and Industry	
Home Based Business	30 minutes
Downtown Revitalization	60 minutes
Small Business Assistance	30 minutes
Agribusiness Development	30 minutes

DAY THREE

Topic	Time
Continue Home Grown Business and Industry	
Retention and Expansion	30 minutes
Tourism Potential	30 minutes
Financing Economic Development	60 minutes
Community Impact Analysis	

DAY FOUR

Topic	Time
Local Speakers and Agencies Share Ideas	60 minutes
Review Alternatives and Possible Strategies	45 minutes
Review ideas gained	
Community Commitment	45 minutes
Who will follow-up?	
What timetable can we set?	

OBSERVATIONS

Outside speakers from different agencies and groups provide greater depth for the various topics. This also makes scheduling the program more difficult.

The agenda may not be followed exactly because of scheduling problems.

Communities may expand, decrease, delete, or add specific topics due to particular interests. Flexibility is important as economic development has no single exact formula.

The above program is built with 2 1/2 hours in each day. Figure a 3 hour program and this leaves time for a break and some program over-run.

Example 2

VINITA ECONOMIC DEVELOPMENT

RETREAT AGENDA

AUGUST 20, 1987

6:30 - 6:45	Welcome and Introductions
6:45 - 7:30	Overview of Economic Development, Vinita Citizens Role in Economic Development and Components of an Economic Development Program
7:30 - 8:15	Economic Development Strategy - Community Preparedness Survey
8:30 - 9:00	Program for Improving Retail Trade
9:00 - 9:30	Analyzing Community Growth Potential

SEPTEMBER 3, 1987

6:30 - 7:00	Programs and Assistance Available from Small Business Development Centers
7:00 - 7:45	Encouraging and Expanding Home Grown Industry
7:45 - 8:00	BREAK
8:00 - 9:30	Attracting New Industry and Business

SEPTEMBER 10, 1987

6:30 - 8:00	Financing Economic Development
8:00 - 8:15	BREAK
8:15 - 9:30	Community Impact Study

SEPTEMBER 17, 1987

6:30 - 7:30	Community Economic Development Strategy for Vinita and Craig County
7:30 - 8:15	Community Team Development
8:15 - 8:30	BREAK
8:30 - 9:30	Commitment to Work and Evaluation

Example 3

ECONOMIC DEVELOPMENT RETREAT
Love County, Marietta, Oklahoma

Tuesday, November 10

6:30 Introduction
Overview

7:00 Basic Economic Data and Analysis

7:45 Break

8:00 Economic Development Strategy

8:30 Attracting New Business and Industry

Thursday, November 12

6:30 Home Grown Industry
Home Based Business: Putting It All Together
Retention and Expansion of Existing Industry

7:30 Break

7:45 Financing Economic Development

8:30 Developing Your Tourism Potential

Tuesday, November 17

6:30 Downtown Revitalization
Oklahoma Mainstreet Program
Guthrie: Then and Now
Financing

7:45 Break

8:00 Agri Business Development
Strategic Planning
Finding the Market

Thursday, November 19

6:30 Stragetic Planning for Economic Development

7:00 Oklahoma: The Right Stuff

7:30 Break

7:45 "Challenge the Future"

8:15 Community Commitment

Example 4

AGENDA

KINGFISHER ECONOMIC DEVELOPMENT RETREAT

OCTOBER 12

7:00 - 8:15	Overview; Basic Economic Data and Analysis
8:15 - 8:30	Break
8:30 - 9:30	Surveys to Support Workshop

OCTOBER 19

7:00 - 8:00	Developing a Strategy
8:00 - 8:15	Break
8:15 - 9:30	Home Grown Business and Industry Small Business Retention and Expansion Home Based Business

NOVEMBER 9

7:00 - 8:15	Attracting New Business and Industry
8:15 - 8:30	Break
8:30 - 9:30	Team Development

NOVEMBER 16

7:00 - 8:15	Financing Economic Development
8:15 - 8:30	Break
8:30 - 9:30	Impact Analysis

NOVEMBER 23

7:00 - 8:15	Review Strategy
8:15 - 8:30	Break
8:30 - 9:30	Community Commitment to Work

APPENDIX C

EVALUATION

EVALUATION
ECONOMIC DEVELOPMENT RETREAT

			Excellent	Good	Poor
1.	Overview	Content	_____	_____	_____
		Presentation	_____	_____	_____
		Usefulness	_____	_____	_____
	Basic Economic Data and Analysis:	Content	_____	_____	_____
		Presentation	_____	_____	_____
		Usefulness	_____	_____	_____
	Economic Development Strategy:	Content	_____	_____	_____
		Presentation	_____	_____	_____
		Usefulness	_____	_____	_____
	Program for Improving Retail Trade:	Content	_____	_____	_____
		Presentation	_____	_____	_____
		Usefulness	_____	_____	_____
	Encouraging and Expanding Home Grown Industry:	Content	_____	_____	_____
		Presentation	_____	_____	_____
		Usefulness	_____	_____	_____
	Attracting New Business and Industry	Content	_____	_____	_____
		Presentation	_____	_____	_____
		Usefulness	_____	_____	_____
	Financing Economic Development:	Content	_____	_____	_____
		Presentation	_____	_____	_____
		Usefulness	_____	_____	
	Community Impact Study	Content	_____	_____	_____
		Presentation	_____	_____	_____
		Usefulness	_____	_____	_____
	Community Team Development:	Content	_____	_____	_____
		Presentation	_____	_____	_____
		Usefulness	_____	_____	_____
	Community Commitment to Work:	Content	_____	_____	_____
		Presentation	_____	_____	_____
		Usefulness	_____	_____	_____

2. Did you achieve the objectives/needs you had in attending this workshop series?

Very Much _____
Mostly _____
A Little _____
None _____

If not, what suggestions do you have?

_____

_____

_____

_____

_____

_____

3. Other comments you have about this training?

_____

_____

_____

_____

_____

_____

APPENDIX D

SUPPORTING MATERIAL – FACTS SHEETS

Supporting Material

The following fact sheets were developed to support economic development workshops in Oklahoma. They are included as examples and as supporting material. Extension specialists in other states may want to modify the material for use in their own state.

Economic Development for Rural Oklahoma

OSU Extension Facts

Cooperative Extension Service • Division of Agriculture • Oklahoma State University

No. 858

Mike D. Woods
Associate Professor and Extension Economist
Larry Sanders
Assistant Professor and Extension Economist

Oklahoma is experiencing drastic adjustments in the agriculture and energy sectors of the state economy. Excess capacity has led to low agricultural prices for major commodities. Farm foreclosures and bankruptcies are several times higher than normal in the Oklahoma region. Farm financial problems are also reflected in the condition of rural agribusiness and nonfarm businesses.

The linkages between agriculture and Oklahoma communities are strong, particularly in areas where the primary economic base is agriculture. In Oklahoma, the problems with communities and businesses are even more serious because of an ailing oil industry. Across the Southern U.S. economy, many towns and cities are facing a difficult situation as long term shifts in the region's economy occur.

A number of challenges have arisen for rural leaders (1):

1. Maintaining and enhancing the competitiveness of farm and rural businesses;
2. Further diversifying the rural economic base;
3. Finding alternative uses for rural resources;
4. Easing the transition for farm families;
5. Providing technical and educational assistance for local units of government;
6. Assisting communities in identifying and implementing policy options designed to increase jobs and income; and
7. Assisting with the conservation and management of natural resources.

Given this setting, Oklahomans are extremely concerned with economic development alternatives and opportunities. A reasonable response to the needs of rural Oklahoma requires a complete discussion of economic development options. The following discussion is taken from a recent OSU Cooperative Extension Service Newsletter (2). A starting point includes a working definition of the phrase "economic development".

Defining Economic Development

More Oklahomans agree that state agencies, universities, governments and others need to be involved in economic development. A problem arises when discussing what economic development means. Often, various groups have a perception of the problem based only on their point of view. The resulting definition usually involves **only** agricultural activity or **only** industrial recruitment rather than a broader definition exploring all options.

In its basic form, an "economy" is a system for meeting the needs and wants of people in a particular geographic area (community, region, state, nation, etc.). "Development" has been defined as the improvement of well-being for residents in a particular geographic area, wherever they eventually reside. This includes such measures as expanding the economic base, improving services or providing equality of opportunities. This implies that actual development activities will depend on goals and needs identified by residents in the region of concern.

The term "economic development" refers to an expansion of the economic base through efficient allocation and use of available resources. A working definition for economic development could be any activity which provides additional jobs and income given a community's standard or quality of life.

It its broadest sense, economic development is a concept that suggests at least the maintenance of and, more likely, the improvement in a way of living for which the people have indicated a preference. It is up to the community to insert its will into this ongoing and dynamic process.

It is widely noted that Oklahoma is now a part of the "world economy". Events and forces around the globe affect Oklahomans everyday. The price of oil or the price of wheat, as impacted by world events, are two examples that come to mind. Still, rural leaders want to know what options are available to them that impact on their future.

Economic Development Alternatives

Five options for economic development at the community, small town and rural area level have been proposed by Pulver (3):

1) Improving a community or areas ability to capture existing income;
2) Improving the efficiency of existing firms;
3) Encouraging the formation of new businesses;

BEST COPY AVAILABLE

4) Attracting new industry or business;
5) Increasing financial aid received from other government levels.

These options deal primarily with "place" prosperity. At least one additional option can be added: investment in existing resources, especially human resources/people prosperity. The alternative(s) chosen will depend upon the goals and needs of the community. An active economic development effort might include several of the alternatives, shifting emphasis as needs, resources and opportunities dictate. There are specific methods a community can follow to pursue goals related to each of the alternatives.

Each of these five alternatives offer some potential in one combination or another across Oklahoma. No one solution exists, and regional or community development plans will vary depending upon existing local strengths and weaknesses.

Capturing Existing Income

Most consumers spend money for basic goods and services in more than one community. Because of perceived differences in prices, quality, selection or service, shopping habits will vary. Leakages occur in a community or area when local residents purchase items outside the community or area. This is loss of potential income.

Steps can be taken by local merchants to capture more (not necessarily all) existing income. Surveys of consumer shopping habits can identify potential areas for improvements. Special events and promotions can lead to more local shopping to retain more income. This is one strategy in which most existing local merchants are interested. Careful analysis of various techniques would guide these merchants in determining the "best" approach. The emphasis should be on aiding communities and regions in becoming more competitive.

Efficiency of Existing Firms

Much new job growth comes from the expansion of existing firms. If existing small businesses expand, new jobs and additional income result. Retention of existing small businesses also insures a more stable local economy. Training programs, financial assistance and a supportive local attitude can greatly aid these existing firms.

Training programs are available from universities, the Cooperative Extension Service, Small Business Development Centers and other sources regarding such topics as financial analysis (for example, cash flow or profit forecasting), personnel management, how to develop a business plan and other management or marketing concerns. The goal of these programs is to increase efficiency of resource use in existing firms so they become more competitive.

Encouraging the Formation of New Businesses

New business need support in several areas including capital financing, labor supply, technology assistance and management assistance. A healthy climate for new business formation addresses all these elements. Resulting new businesses capture additional income for the local economy and provide the often-needed diversification.

Attracting New Industry

Industry and business recruitment is perhaps the best known economic development option. At the state level, this effort receives a great deal of attention. New business recruitment is a viable option. However, local communities should realistically assess their chances of recruiting a basic employer and set appropriate goals.

Major metropolitan areas will attract most larger employers. Factors such as labor supply, transportation, location of related businesses, water or other resource constraints, and community attitude and/or preparedness all come into play.

Financial Aid From Broader Government

Federal and State funds for community development are limited as a result of the current economic and political trends. A community should not count on being "bailed out" by broader government support but should explore every avenue. One source of government funds that should not be overlooked relates to transfer payments. Government transfer payments accounted for 14.2 percent of total U.S. income in 1983. This figure was dominated by social security, medicare and medicaid payments. The retirement population is the beneficiary of these payments and represents a potential source of income for many communities in the U.S.

Existing Resource Investment

There are always natural/man-made/human resources in established communities. Natural resources include land, minerals, water, scenic beauty, etc. Man-made resources include infrastructure: roads, utilities, schools, public services, etc. Human resources are the people — labor and family base.

Investment in each of these resource areas is a commitment to the long term outlook; initial costs may be high, but eventual benefits can be substantial. Of great importance is the investment in human capital-education, training, relocation, transition support for people impacted by economic change.

Agriculture and the Economy

Agriculture has a role in many of the development options listed above. Agriculture is an important part of the state's economy and will continue to be so. Too, agriculture-based rural communities offer a lifestyle that provides a special "perk" for many work-ethic employers and employees.

Off-farm employment levels have grown in the United States and Oklahoma. The counties in the eastern part of the state tend to have a higher proportion of off-farm employment than counties in the western part of the state. Sources of off-farm employment, number of part time farmers and potential for expansion of off-farm employ-

ment opportunities need to be examined as part of the state economic development effort. Linkages between the agriculture and nonagriculture sectors of local economies in Oklahoma imply that agriculture depends on the rest of the economy and the economy depends on agriculture. Helping one sector tends to help the other.

A Close Look at Oklahoma's Economy

An overview of employment sources for the Oklahoma economy is presented in Table 1. Oklahoma employment and United States employment is presented by industry sector. Location quotients are also calculated for the various sectors of the state economy. Location quotients are calculated by dividing the percentage of those employed in the state in a particular sector by the percentage of those employed in the same sector nationally. A location quotient greater than 1.00 implies the state is producing more than needed for its own use and is selling the excess to nonlocal markets or exporting. A location quotient less than 1.00 suggests the state is not self-sufficient and may identify opportunities for expansion. Further detail regarding this calculation can be found in other research (4).

Sectors of the Oklahoma economy having location quotients greater than one include farming, mining (this includes oil and gas activity), construction and government. Values of location quotients may change from year to year and depend upon the point of comparison (the national economy in this case). Therefore, these numbers should be used with care. However, the key importance of mining and agriculture is emphasized in Table 1. In spite of this dependence on these key sectors of the economy, there is quite a diversity across the various geographical areas of Oklahoma.

A recent USDA study (5) highlights the diversity that exists, even across nonmetropolitan counties in Oklahoma. The following discussion summarizes the findings for Oklahoma. Counties were defined according to the major economic base and selected social characteristics. There are 14 Standard Metropolitan Statistical Area (SMSA) counties in Oklahoma excluded from the study. These are Canadian, Cleveland, Comanche, Creek, LeFlore, Mayes, McClain, Oklahoma, Osage, Pottawatomie, Rogers, Sequoyah, Tulsa and Wagoner. This leaves 63 nonmetropolitan counties falling in the following categories: farm, manufacturing, mining (includes oil), specialized government, persistent poverty, retirement and ungrouped. Figure 1 shows Oklahoma counties by the various categories.

Overlapping is allowed across categories if more than one activity plays a significant role in that county's economy. Of course, the time period and data used will influence the results, and changes in classification for particular counties might occur if other time periods were analyzed. The point is, there are diverse social and economic characteristics in rural Oklahoma and opportunities for economic development will vary.

Farm Counties

Farming dependent counties in Oklahoma include Alfalfa, Beaver, Cimarron, Cotton, Dewey, Grant, Harmon, Harper, Jefferson, Kiowa, Roger Mills, Texas, Tillman, Washita and Woods. As defined by the USDA study, these are counties where farming contributed a annual average of 20 percent or more of total earned income over the 5 years from 1975 to 1979.

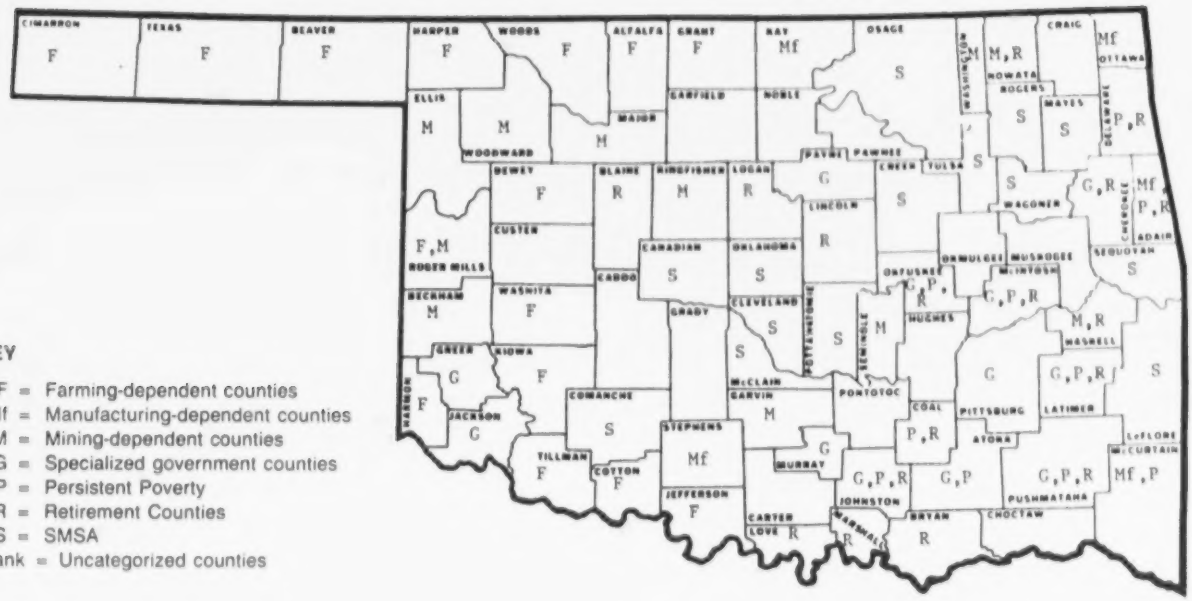
Oklahoma ranks in the top five nationally in the production of winter wheat and cattle and calves, and in the top ten in the production of rye, grain sorghum, cotton, pecans and peanuts. Counties that are classified as farm dependent in Oklahoma appear to be concentrating on the production of wheat, feed grains and cattle. Mar-

Table 1: Oklahoma Employment Data, 1984

	Oklahoma[1/]	Percent of Total	United States[1/]	Percent of Total	Location Quotient
Proprietors					
Farm	87,934		2,637,000		
NonFarm	268,544		14,753,900		
Industry					
Farm	103,039	0.060	3,797,000	0.032	1.88
Agricultural Services, Forestry, Fisheries, Other	10,317	0.006	1,130,700	0.010	0.06
Mining	114,942	0.071	1,283,900	0.011	6.45
Construction	87,055	0.053	5,830,000	0.049	1.08
Manufacturing	177,906	0.019	19,774,900	0.167	0.65
Transportation & Public Utilities	75,365	0.047	5,682,100	0.048	0.98
Wholesale Trade	70,447	0.044	6,011,000	0.051	0.86
Retail Trade	247,662	0.159	19,237,000	0.162	0.98
Finance, Insurance, Real Estate	104,136	0.065	8,377,000	0.070	0.93
Services	324,721	0.199	28,424,300	0.240	0.83
Government	303,384	0.187	18,944,000	0.160	1.17
	1,628,974	1.000	118,491,900	1.000	

[1] Source: U.S. Department of Commerce, Regional Information System, Bureau of Economic Analysis.

858.3 Y4



KEY

F = Farming-dependent counties
Mf = Manufacturing-dependent counties
M = Mining-dependent counties
G = Specialized government counties
P = Persistent Poverty
R = Retirement Counties
S = SMSA
Blank = Uncategorized counties

ket activity in recent years has been dismal for wheat and feed grains and cotton, and somewhat stagnant for cattle. Income attributable to agriculture as a percentage of total income ranges from 20 to 70 percent in these counties.

As indicated in Table 2, these farm dependent counties are primarily involved in the "downside" commodities of recent years. Other "ungrouped" counties that currently have significant farm activity include Caddo and Grady.

Mining Counties

Counties that were designated as mining dependent were Beckham, Ellis, Garvin, Haskell, Kingfisher, Major, Nowata, Roger Mills, Seminole, Washington and Woodward. Mining activity includes oil, natural gas and other mineral extraction such as gravel. In these counties, mining contributed 20 percent or more to total earned income in 1979.

Table 2. Oklahoma Farm Counties, Ranked by Production Level, 1986

(1 = Among Top 10 Producing Counties; 2 = Among Top 20 Producing Counties; 3 = Among Top 30 Producing Counties

	Wheat	Corn	Sorghum	Barley	Oats	Soybeans	Cotton	Peanuts	Hay	Cattle & Calves	Poultry**	Hogs	Sheep	Dairy
Alfalfa	1				3				1	1		2	1	
Beaver	1	2	1	1						2		3		2
Cimarron	2	1	1	1		3				1		3	3	
Cotton	2		2		1		1							
Dewey	3		3		3		2		3	3				
Grant	1		1		3					2		1	1	
Harmon	3		3				1	3						
Harper	2	3	2	2						3			3	
Jefferson					1			3		3			1	
Kiowa	2		2	2	3		1			3			1	
Roger Mills			2		3		2			2				2
Texas	1	1*	1*	1	1	2				1*		3	3	
Tillman	2	3	2	2	1		1*	2					2	
Washita	2		1	1	3		1	2	1	1	1	2	3	
Woods	1		3	2	3					2		3	2	

*Note: * indicates the number 1 producing county in the state for that specific commodity.
**December 1, 1984 Inventory.

75 858.4

Manufacturing Counties

Manufacturing dependent counties in Oklahoma include Adair, Kay, McCurtain, Ottawa and Stephens. In these counties, manufacturing contributed 30 percent or more of total earned income in 1979.

The location of a major manufacturing concern is a county with relatively low economic activity can bode well or ill for the area, as exemplified with the closing of a tire manufacturer in Ottawa County. Approximately 2000 direct jobs were lost as well as additional secondary jobs.

Persistent Poverty Counties

Counties categorized in the USDA study as having persistent poverty as their primary economic situation include Adair, Atoka, Coal, Delaware, Johnston, Latimer, McCurtain, McIntosh, Okfuskee and Pushmataha. While definitions of poverty may vary, poverty rates in these counties range from 21 to 32 percent in Delaware County to 30 to 40 percent in Johnson County. These estimates compare to a state range of 13 to 19 percent. Three other counties have shown up in other studies as having a high incidence of poverty. These counties are Caddo, Choctaw and Hughes.

The real danger of persistent poverty lies in the socialization process. Poverty becomes a way of life in which children are reared and it tends to be what is expected. Such an ingrained economic identity creates a negative atmosphere for what is needed most — economic development. Thus, outside forces such as state agencies are especially critical in acting as a catalyst for economic change and improvement. Three of these counties are also characterized as retirement counties: Adair, Coal and Delaware. In all ten counties, over 15 percent of those persons over the age of 65 receive supplemental security income assistance.

Government Counties

Counties identified for specialized government activities include Atoka, Cherokee, Greer, Jackson, Johnston, Latimer, MacIntosh, Murray, Okfuskee, Payne, Pittsburg and Pushmataha. In these counties, government activities contributed 25 percent or more to total earned income in 1979.

Retirement Counties

Retirement counties are Adair, Blaine, Bryan, Cherokee, Coal, Delaware, Haskell, Johnston, Latimer, Lincoln, Logan, Love, Marshall, MacIntosh, Nowata, Okfuskee and Pushmataha. These counties had a large level of immigration of people aged 60 or over.

Indications of Concern

Several conclusions can be drawn regarding the economic identity of each county in Oklahoma:

(1) Farm and oil-mining dependence is a western phenomenon.

(2) Many farm counties have yet to take advantage of developing associated agricultural industries such as food processors; whether there are good reasons for this is a topic for analysis.

(3) Pockets of persistent poverty are complex in their origins and not necessarily related to current financial ills in the agriculture and petroleum sectors; development of agricultural niches, such as fruit and vegetables markets, could bring hope and are being studied.

(4) Economic diversity is sporadic and localized.

Economic development is a complex topic with no single formula for success. Each community in Oklahoma will have to analyze opportunities and limitations given financial, social, natural resource and human capital availability. Communities and rural areas that are best able to "get their act together" will most likely achieve desired outcomes and be successful in our competitive environment when broader economic forces become more favorable for Oklahoma. Local leaders should evaluate the current economic situation with realism and should remain optimistic about the challenges and opportunities.

References

1. Extension Committee on Organization and Policy, Cooperative Extension System, *Revitalizing Rural America*, November, 1986. p.4.
2. Woods, Mike and Larry D. Sanders, "Economic Development in Oklahoma," *Agricultural Policy and Economic Issues*, Volume 3, Number 1, Oklahoma State University, Cooperative Extension Service, January, 1987.
3. Pulver, Glen C., "Economic Growth in Rural America," in *New Dimensions in Rural Policy: Building Upon Our Heritage*, Studies prepared for the use of the Subcommittee on Agriculture and Transportation of the Joint Economic Committee, Congress of the United States, 99th Congress, 2nd Session, June 5, 1986.
4. Hustedde, Ron, Ron Shaffer, and Glen Pulver, *Community Economic Analysis: A How To Manual*, North Central Regional Center for Rural Development, November 1, 1984.
5. Bender, L.D., B.L. Green, T.F. Hady, J.A. Kuehn, M.K. Nelson, L.B. Perkinson, and P.J. Ross, *The Diverse Social and Economic Structure of Nonmetropolitan America*, United States Department of Agriculture, Economic Research Service, Rural Development Research Report Number 49, September, 1985.

858.5 76

Oklahoma State Cooperative Extension Service does not discriminate because of race, color, sex, or national origin in its programs and activities, and is an equal opportunity employer. Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Charles B. Browning, Director of Cooperative Extension Service, Oklahoma State University, Stillwater, Oklahoma. This publication is printed and issued by Oklahoma State University as authorized by the Dean of the Division of Agriculture and has been prepared and distributed at a cost of $580.07 for 3,925 copies. AI 7282 1287 TD

858.6

Strategic Planning for Economic Development in Rural Areas and Small Towns of Oklahoma

OSU Extension Facts

Cooperative Extension Service • Division of Agriculture • Oklahoma State University

No. 859

Mike D. Woods
Associate Professor and Extension Economist

Gordon Sloggett
Research Associate

Economic development has become the "watchword" for rural Oklahoma as local leaders struggle to revitalize the rural economy. Economic development is concerned with diversifying the rural economy and creating additional jobs and income to maintain and enhance the quality of life in rural towns and communities. A troubled agricultural industry, declining resource prices, and national economic trends have all combined to challenge those interested in a strong rural economy.

Much effort occurs at the National and State level to address important development issues. These issues, including fiscal policy, the trade position of the U.S., and State development policy, are all critical to development in both rural and urban areas. Rural leaders need to understand the impact these issues may have on their local economic development efforts. But of equal importance is the fact that rural leaders need to know what policies and strategies are possible to guide economic development at the local level. These local considerations are the topic of this fact sheet.

Strategic planning will clarify the process of building a local foundation for economic development. **There is nothing mystical about developing a strategy**. It involves hard work, communication, thought, and cooperation. To succeed in economic development efforts, a community must know where it wants to go and how it is to get there. A strategy is simply a plan or a road map showing how to get there.

Business firms are often advised to develop a business plan in order to survive in a constantly changing environment. The plans can be used to assist management in assessing potential opportunities and implementing decisions [1]. Developing a strategy for community economic development is very similar and necessary if communities are to succeed.

Local leaders must be involved in developing the strategy because it cannot be successful without their total support. It is also important that local leaders understand at the very beginning that they must make a substantial commitment of their time and effort if they hope to succeed. The purposes of this fact sheet are to:

1. review the benefits of strategic planning.
2. summarize the steps required to build an economic development strategy, and
3. provide some tools to do some of the preliminary work in building a strategy.

It should be emphasized that this fact sheet is only intended to provide local leaders with information about strategic planning and not as an exhaustive procedure on how to complete such a plan. Sub-state planning and development districts, the Cooperative Extension Service, the Department of Commerce, and other agencies are available to help communities in developing strategic plans for economic development.

Benefits of Strategic Planning

Time spent in developing an economic development strategy will pay big dividends because it will [2]:

1. **Outline the steps to follow**. Economic development does not just happen. It requires the community to identify a number of intermediate steps to reach its final goals.

2. **Promote efficient use of scarce resources**. A significant amount of money, time, and people will be required for economic development efforts and these limited resources must not be wasted. The plan will provide a rational for resource allocation.

3. **Improve coordination.** Many programs, activities, groups, and individuals will be involved in the development effort and it is important that they not overlap or conflict. The plan will serve as a vehicle for communicating development activities.

4. **Build consensus.** The public and the private sector must agree on the major issues involved. This will lead to support in implementing the plan.

5. **Increase public awareness**. Without public support, economic development cannot happen. It is important that the public know how development occurs and how it a effects the community.

6. **Strengthen the community's competitive position.** A community with a strategy will not only be inherently more likely to succeed, it will appear more attractive to a potential business or industry than a community without a plan.

7. **Encourage forward-thinking**. The strategy will encourage community leaders to think about the future and to not overlook opportunities for development as they arise.

Steps In Building A Strategy [2, 3]

With the benefits of developing a strategy identified, the next step is to summarize the steps needed to establish the strategy. Local leaders should not be overwhelmed by the task of designing a community development strategy because they may obtain assistance from a variety of sources with experience in this area.

It should be emphasized that while the following steps to strategic planning are similar for any community, the final plan is the responsibility of local leaders. It must be tailored to fit the conditions of the individual community.

1. **Establish the steering committee.** Broad-based community support is the foundation for successful economic development efforts. It is extremely important that the steering committee be made up of a cross-section of the community's public and private leadership. Existing organizations (chambers

of commerce, industrial trusts, etc) should be used where possible. The committee is responsible for forming the plan, communicating the plan to the community, and promoting the entire planning process. One of the most important functions of the steering committee after forming the plan is to establish a schedule to complete each phase of the plan and see to it that each phase is completed. The schedule should allow sufficient time to complete each element and be flexible enough to allow for contingencies.

2. **Obtain technical assistance.** Steering committee members may not have the time or expertise to do all of the work. Assistance is available from the state Department of Commerce, consultants, universities, sub-state planning and development districts, utility companies, rural electric cooperatives and others. They can provide the type of assistance needed to help communities in the economic development process. But success will depend on active participation of local leaders from the planning through the implementation phases of the strategy.

3. **Develop basic data.** Demographic and economic data are needed to determine trends and to identify strong and weak points in the community. The data are also needed by those interested in investing in the local economy. The data should include information of population, income, employment, wages, business, and an inventory of community services-- utilities, streets and highways, and transportation services. These data will highlight the problems the community needs to work on if it is to have a successful economic development effort. These data will also be useful in determining what kinds of economic development the community should pursue.

4. **Review economic development alternatives.** A community may increase its economic activity in a variety of ways including: increasing economic activity of existing business and industry; attracting business and industry outside the community to locate in your community; encourage new business and industry to form within the community; and other means of bringing money into the community, such as attracting retirees. The alternative(s) selected for a community to pursue depend(s) on many factors. The important thing is for the community to know what alternatives are available, and then to choose the one(s) that best fit their situation. OSU Cooperative Extension Service fact sheet 858, **Economic Development for Rural Oklahoma**, reviews these alternatives [4].

5. **Analyze key issues**. Key issues are those that will influence the direction of community economic development efforts. A complete set of basic data may indicate some key issues. They may be things the community can do something about, such as streets, the sewer system, or the attitude of the citizens toward a change. For example, if the community has a limited water supply, it may need to develop an additional source. Other issues may be unchangeable, such as the climate or the community's location. The point is that you must look realistically at your community, change what it can, and then proceed with a plan that is workable.

6. **Identify financial resources.** It is important to identify the sources and amount of capital required to finance needed changes in the community to enable economic development. Wanting and planning for economic development will not make it happen unless the money is there to make it happen. Available capital is an absolute must for new business and industry.

7. **Set priorities.** A community must establish a list of priorities specifying the kind(s) of economic development alternatives to pursue and any changes the community needs to make to enable economic development to occur.

8. **Implement the plan.** The best plan in the world is not any good if it is not used. The plan should be as simple as possible, but complete. It should be flexible to allow for problems that will arise. It should be accomplished within a reasonable time frame. The resources, money and people, must be available to do the work. Perhaps the two most important parts of any plan are WHO will do what, and WHEN will they do it. Someone, or some group, must be identified to accomplish each task in the plan and they must be given a completion date. The participants should know that they are making a significant time and effort commitment and that the success of the economic development plan depends on the completion of their assignments. The last point to emphasize about a strategy for economic development is that it should be viewed as a **process** and **not** a single **event.** No part of the plan should be set in concrete, but rather be ready for change as circumstances affecting economic development in the community change.

Tools To Aid in Developing a Strategy

Many techniques and tools are available to aid communities in building a strategy. Survey instruments are often used to identify issues and concerns the community may have. Several references [2,3,5,6,7] were utilized to build the two survey instruments and the checklist that follow.

The survey instruments can play three very important roles in developing an economic development strategy. First they will help identify strengths and weaknesses in the community. Second, the survey will help set priorities for economic development. Third, and perhaps just as important, soliciting opinions from a cross section of the community will inform them of the economic development effort and may gain their support if they feel that they have had the opportunity to voice their opinions.

Exhibit 1 is a quality of life survey that many communities have used to identify strengths, concerns, possible goals and influential leaders. Exhibit 2, is a survey "What's Good About Your Community" analyzing items which may be important to a town. Items can be ranked good-fair-or poor by the survey respondents. Exhibit 3 is a checklist covering key concerns for community planners involved in economic development.

Potential users of these surveys should note these forms are only a "model" or suggestions. Individual communities may want to modify the questions to suit specific needs. Thought should be given to who is surveyed, and how the results will be tabulated and reported.

REFERENCES

[1] Park, David W., "Repairing and Using Business Development Plan" OSU Extension Facts, Number 168, Oklahoma State University, August, 1987.

[2] Tennessee Valley Authority, "Focus on the Future," Red Ark Symposium on Economic Development Leadership, Ada, Oklahoma, June 5-6, 1986.

[3] de Luca, Edward. "Organizing and Operating a Development Department," in Shaping the Local Economy: Current Perspectives on Economic Development, Cheryl Farr, Editor, Washington, D. C: International City Managers Association. 50-58.

[4] Woods, Mike D. and Larry Sanders, "Economic Development for Rural Oklahoma", OSU Extension Facts, Number 858, Oklahoma State University, December, 1987.

[5] Texas Advisory Commission of Intergovernmental Relations. Comprehensive Planning for Small Texas Cities, Austin, Texas, August, 1983.

[6] Nelson, James R., Gerald Doesksen, and Jack Dressen. A Guidebook for the Planning of Economic Development in Rural Communities. Stillwater: Cooperative Extension Service, Oklahoma State University, AE 7829, 1978.

[7] Bowen , George E. and Joseph Prochaska, Community Goals For Knoxville - Knox County, Volume IV, Community Goals Game Instruction Manual, Knoxville: University of Tennessee, Graduate School of Planning, September, 1978.

Exhibit 1

QUALITY OF LIFE
COMMUNITY PROFILE SURVEY

What are the strengths and weaknesses of our town? Your answers to this survey will assist in the development of the Economic Development Strategy for _____. Our objective is to identify the needs we have in _____ and to find out what you feel should be done to make this town a better place to live, work, rear children, do business and enjoy life. Please be as candid and as specific as possible in your answers (each survey is confidential).

A. In your opinion, what are the biggest strengths or advantages in_____, which could lead to future growth?

1. _____

2. _____

3. _____

B. What would you say are some of the biggest problems and obstacles faced by _____ for the future growth of the area? (note in order of importance)

1. _____ 4. _____

2. _____ 5. _____

3. _____ 6. _____

C. Identity in to your opinion which of the following are most important; with highest priority rated #1.

Rank		Rank	
___	Attracting New Industry	____	Create Service Boards
___	Expand Local Industry	____	Down-Town Revitalization
___	Retail & Commercial Development	____	Retirement Industry Development
___	Expand Tourism Industry	____	Create Home Grown Businesses
___	Expand Community Services	____	Other _____

D. In your opinion, what persons are the most influential men and women in _____?

Men	Women
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____

E. What organizations, clubs, businesses, or groups have accomplished the most good for the growth of _____?

1. _____	1. _____
2. _____	2. _____
3. _____	3. _____

F. Do you have any other ideas or ways to improve the quality of life in _____?

1. _____

2. _____

3. _____

Exhibit 2

WHAT'S GOOD ABOUT YOUR COMMUNITY

Here is a list of things that are important to a town. Be absolutely honest, how do you rate your town? In answering the questions below, please make a check mark in the appropriate column.

	GOOD	FAIR	POOR	DON'T KNOW
1. Streets and Roads				
2. Traffic Conditions				
3. Parking Downtown				
4. Police Protection				
5. Fire Protection				
6. Garbage Collection and Disposal				
7. Water Supply				
8. Sewage Collection and Disposal				
9. Community Parks and Playground				
10. Recreation for Adults				
11. Recreation for Teenagers				
12. Recreation for Children 12 and under				
13. Library				
14. Flood Control				
15. Crime Prevention Programs				
16. Ambulance Service				
17. Availability of Doctors				
18. Availability of Dentists				
19. Availability of Emergency Care				
20. Availability of Care for the Elderly				
21 Availability of Housing				
22. Condition of School Building				
23. Elementary Education				
24 High School Education				
25 Vocational Education-Job Training				
26 Adult Education				
27 Appearance of neighborhoods				
28. Appearance of business				
29. Appearance of Public Buildings				
30. Overall Community Appearance				
31. Welcome Given to Newcomers				
32. Friendly and Neighborly People				
33. Progressive Community Spirit				
34. Long-range Planning				
35. Planning and Zoning				
36. Responsiveness of local government				
37. Community Civic Organizations				
38. Cooperation Between Community Clubs & Groups				
39. Churches				
40. Local Tax Rates				
41. Day Care For Children				
42. Service in Local Stores				
43. Number and Quality of Eating Places				
44. Variety and Quality of Goods in Stores				
45. Banking and Financing Service				
46. Local Newspaper Service				
47. Hotel and Motel Accommodations				
48. Local Industry				
49. Local Agriculture				
50. Family Living Conditions				

F-1

Exhibit 3

Community Preparedness Checklist For Economic Development

This checklist is intended to help community leaders analyze their community's preparedness for economic development efforts. Does your community have(?):

1. An existing local organization for promoting economic development.
2. Widespread leadership participation.
3. Public and private sector cooperation.
4. Funding for a development program.
5. Coordination among agencies and organizations promoting job creation.
6. An existing plan for economic development.
7. Publicly controlled and developed industrial sites.
8. An inventory of potential building sites.
9. Available industrial buildings.
10. Marketing materials (data sheets, site maps).
11. Marketing approach and team.
12. An existing industry assistance program.
13. A business development program.
14. Adequate public infrastructure:
    - Water supply
    - Wastewater treatment
    - Electricity
    - Natural gas
    - Telephone
    - Roads and transportation
15. Labor availability.
16. Capabilities for technical skills training.
17. Good labor-management relations.
18. Community services, facilities and livability:
    - Education
    - Health Care
    - Recreation
    - Appearance
    - Housing
    - Police and fire
    - Dining and lodging
19. Financing for business and industrial expansion.
20. An Existing Business - Industry Visitation Program.

Cooperative Extension Service

Oklahoma Cooperative Extension Service offers its programs to all eligible persons regardless of race, color, national origin, religion, sex, age, or handicap and is an equal opportunity employer. Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Charles B. Browning, Director of Cooperative Extension Service, Oklahoma State University, Stillwater, Oklahoma. This publication is printed and issued by Oklahoma State University as authorized by the Dean of the Division of Agriculture and has been prepared and distributed at a cost of $473.48 for 3475 copies. AI7700 0588 TD

Federal Assistance Programs Retrieval System

OSU Extension Facts

Cooperative Extension Service • Division of Agriculture • Oklahoma State University

No. 832

Betsy Fountain
Extension Associate
Gerald A. Doeksen
Extension Economist

A wide variety of federal programs exists to help units of government, businesses, individuals, minority groups, and various organizations as they strive to accomplish tasks which are deemed to be in the public interest. Information on these programs is found in the *Catalog of Federal Domestic Assistance*, a U.S. government-wide compendium of federal programs, projects, services, and activities which provide assistance or benefits to the American public. It contains over 1,000 financial and nonfinancial assistance programs administered by departments and establishments in the executive branch of the government.

The catalog is voluminous, and locating specific programs of interest can be a very time-consuming process. To assist in searches for federal programs, the Federal Assistance Programs Retrieval System (FAPRS) was developed. FAPRS is a computerized system which can be accessed to identify federal programs which meet the needs of government units, public and private non-profit organizations, profit organizations, or individuals.

The FAPRS system is maintained by the General Services Administration, Federal Information Branch. System access is available in Oklahoma through the Cooperative Extension Service at Oklahoma State University. Remote computer terminals are used to communicate information about assistance needs to a central computing unit. The computer then scans the program information found in the *Catalog of Federal Domestic Assistance* to identify programs which may be useful.

How to Access FAPRS

Persons requesting information from FAPRS must complete a copy of the request form presented on the last page of this fact sheet. They must provide their name or the name of the organization they are representing, their address and phone number, the name of the community or area for which assistance is needed, the county in which the community or area is located, and a description of the nature of the problem for which assistance is sought.

Needed assistance must be classified according to the program categories and sub-categories shown in Table 1. In addition, the type of assistance desired must be specified according to the categories in Table 2. A requestor may obtain information on all types of assistance available by specifying "ALL" on the request form for "Type(s) of Assistance." In most situations, this is the most appropriate entry. Finally, the applicant must be classified according to the designations in Table 3. The most complete information on available programs can be obtained by entering designation 09 ("Government-general"), designation 30 ("Non-government-general"), or designation 39 ("Anyone/General Public").

FAPRS Results

When appropriate information has been entered into FAPRS, a computer print-out is obtained which lists relevant programs for which an appropriation or continuing resolution for the current fiscal year has been authorized. All program titles and number identifications are keyed to the *Catalog of Federal Domestic Assistance*. Copies of the catalog can be found in many city and county offices, Congressional offices, development district offices, and District Cooperative Extension Rural Development Program Specialists' offices.

It should be noted that the listing of programs in a FAPRS print-out does not guarantee applicability of any specific project or availability of program funds. The print-out should be used as a research aid to identify possible sources of federal assistance.

Whom to Contact

Your county Cooperative Extension Service office or District Rural Development Program Specialist can assist you in accessing the Federal Assistance Programs Retrieval System. Persons or groups seeking information through FAPRS may be levied a small fee to cover computer costs.

Table 1. Federal Assistance Programs Retrieval System (FAPRS) - Program Categories and Subcategories

A.	**Agriculture**
	K Resource Conservation and Development
	L Production and Operations
	M Marketing
	N Research and Development
	O Technical Assistance, Information and Services
	P Forestry
	Q Stabilization and Conservation Service

B. Business and Commerce
- K Small Business
- L Economic Development
- M Economic Injury and Natural Disaster
- N Commercial Fisheries
- O Maritime
- P International
- Q Statistics
- R Special Technical Services
- S Minority Business Enterprises

C. Community Development
- K Planning and Research
- L Construction, Renewal and Operations
- M Historical Preservation
- N Rural Community Development
- O Recreation
- P Site Acquisition
- Q Indian Action Services
- R Federal Surplus Property
- S Technical Assistance and Services
- T Land Acquisition
- U Fire Protection

D. Consumer Protection
- K Regulation, Inspection, Enforcement
- L Complaint Investigation
- M Information and Educational Services

E. Cultural Affairs
- K Promotion of the Arts
- L Promotion of the Humanities

F. Disaster Prevention and Relief
- K Emergency Preparedness, Civil Defense
- L Flood Prevention and Control
- M Emergency Health Services
- N Disaster Relief

G. Education
- A Dental Education and Training
- B Educational Equipment and Resources
- C Educational Facilities
- D Elementary and Secondary
- E General Research and Evaluation
- F Handicapped Education
- G Health Education and Training
- H Higher Education-General
- I Indian Education
- J Libraries and Technical Information Services
- K Medical Education and Training
- L Nuclear Education and Training
- M Nursing Education
- N Resource Development and Support-Elementary, Secondary Education
- O Resource Development and Support-General and Special Interest Organizations
- P Resource Development and Support-Higher Education
- Q Resource Development and Support-Land and Equipment
- R Resource Development and Support-School Aid
- S Resource Development and Support-Sciences
- T Resource Development and Support-Student Financial Aid
- U Resource Development and Support-Vocational Education and Handicapped Education
- V Teacher Training
- W Vocational Development

H. Employment, Labor, and Training
- K Planning, Research and Demonstration
- L Program Development
- M Job Training, Employment
- N Federal Employment
- O Bonding and Certifying
- P Equal Employment Opportunity
- Q Assistance and Services for the Unemployed
- R Assistance to State and Local Governments
- S Statistical
- T Labor Management Services
- U Facilities, Planning, Construction, and Equipment

I. Energy
- K Conservation
- L Research and Development
- M Education and Training
- N Facilities and Equipment
- O Specialized Technical Services
- P General Information Services

J. Environmental Quality
- K Water Pollution Control
- L Air Pollution Control
- M Solid Waste Management
- N Pesticides Control
- O Radiation Control
- P Research, Education, Training

K. Food and Nutrition
- K Food and Nutrition for Children
- L Food and Nutrition for Individuals and Families
- M Food Inspection
- N Research

L. Health
- A Alcoholism, Drug Abuse, and Mental Health-General
- B Alcoholism, Drug Abuse, and Mental Health-Law Enforcement
- C Alcoholism, Drug Abuse, and Mental Health-Planning
- D Alcoholism, Drug Abuse, and Mental Health-Research
- E Communicable Diseases
- F Education and Training
- G Facility Loans and Insurance
- H Facility Planning and Construction
- I General Health and Medical Services
- J Health Research-General
- K Health Services Planning and Technical Assistance
- L Indian Health
- M Libraries, Information and Educational Services
- N Maternity, Infants, Children
- O Mental Health
- P Occupational Safety and Health
- Q Physical Fitness
- R Prevention and Control
- S Program Development
- T Specialized Health Research and Training
- U Veterans Health

M. Housing
- K Property and Mortgage Insurance
- L Homebuying, Homeownership
- M Home Improvement
- N Cooperatives, Rental
- O Rural Housing
- P Multifamily
- Q Experimental and Developmental Projects
- R Indian Housing
- S Construction, Rehabilitation
- T Planning
- U Land Acquisition
- V Site Preparation for Housing

N. Income Security and Social Services
- A Disabled and Handicapped Services
- B Disabled Veteran
- C Emergency and Crisis Assistance
- D Families and Child Welfare Services
- E Indian Services
- F Information and Referral Services
- G Legal and Advocacy Services
- H Nutrition
- I Old Age Assistance
- J Prevention
- K Public Assistance
- L Refugee, Alien Services
- M Research, Demonstration
- N Social Security and Insurance
- O Specialized Family and Child Welfare Services
- P Specialized Services
- Q Training Assistance
- R Veterans Services
- S Youth Services

O. Information and Statistics
- K Census Data
- L General
- M Libraries, Clearinghouses, Archives
- N Library of Congress and Smithsonian Services

P. Law, Justice and Legal Services
- K Law Enforcement-Planning and Operations
- L Law Enforcement-Research, Education, Training
- M Law Enforcement-Narcotics and Dangerous Drugs
- N Law Enforcement-Crime Analysis and Data
- O Legal Services-General Services
- P Legal Services-Employment Rights
- Q Legal Services-Labor Management Relations
- R Legal Services-Housing Rights
- S Legal Services-Claims Against Foreign Governments

Q. Natural Resources
- K Mineral Research
- L Water Conservation Research
- M Community Water Supply Services
- N Community Sewage Treatment Assistance
- O Wildlife Research and Preservation
- P Land Conservation
- Q Recreation

R. Regional Development
- K Economic Development
- L Planning and Technical Assistance
- M Land Acquisition and Rehabilitation and Facilities Construction
- N Transportation
- O Energy
- P Housing
- Q Education
- S Health and Nutrition
- T Resource Development

S. Science and Technology
- K Research, General
- L Research, Specialized
- M Information and Technical Services

T. Transportation
- K Urban Mass Transit
- L Highways, Public Roads and Bridges
- M Rail
- N Air
- O Water Navigation

Table 2. Federal Assistance Programs Retrieval System (FAPRS) - Type of Assistance Codes

- A. Formula grants
- B. Project grants
- C. Direct payments for specified use
- D. Direct payments with unrestricted use
- E. Direct loans
- F. Guaranteed/insured loans
- G. Insurance
- H. Sale, exchange, or donation of property and goods
- I. Use of property, facilities, and equipment
- J. Provision of specialized services
- K. Advisory services and counseling
- L. Dissemination of technical information
- M. Training
- N. Investigation of complaints
- O. Federal employment

Specify ALL to retrieve programs regardless of type of assistance.

Table 3. Federal Assistance Programs Retrieval System (FAPRS) - Applicant Eligibility Codes

- 09 Government-General (may include 10 through 23)
- 10 Federal
- 11 Interstate
- 12 Intrastate
- 14 State (includes District of Columbia)
- 15 Local (excludes institutions of higher education, hospitals)
- 18 Sponsored organization (CAA, Model City)
- 20 Public nonprofit institutions/organizations (includes institutions of higher education, hospitals)
- 21 Other public institutions/organizations
- 22 Federally designated Indian tribal governments
- 23 U.S. territories

- 30 Non-government-General (may include 31 through 40)
- 31 Individual/family
- 32 Minority group (Black, American Indian, Spanish origin)
- 33 Specialized group (health professional, student, veteran)
- 34 Small business (less than 500 employees)
- 35 Profit organization
- 36 Private nonprofit institutions/organizations (includes institutions of higher education, hospitals)
- 37 Quasi-public nonprofit institutions/organizations
- 38 Other private institutions/organizations
- 39 Anyone/general public
- 40 Native American organizations

Federal Assistance Programs Retrieval System (FAPRS) Request Form

Date: _____

Requestor's Name: _____

Mailing Address: _____
Street City State & Zip Code

Telephone Number: _____

Information Requested For: _____
Town or area

_____
County

Programs

Category of Interest	Subcategory of Interest
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Type of Assistance Code: _____

Applicant Eligibility Code: _____

Please provide a brief description of proposed project for which assistance is sought:

_____

_____

_____

_____

Return completed form to:

Gerald A. Doeksen
Department of Agricultural Economics
Oklahoma State University
Stillwater, OK 74078

Oklahoma State Cooperative Extension Service does not discriminate because of race, color, sex, or national origin in its programs and activities, and is an equal opportunity employer. Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Charles B. Browning, Director of Cooperative Extension Service, Oklahoma State University, Stillwater, Oklahoma. This publication is printed and issued by Oklahoma State University as authorized by the Dean of the Division of Agriculture and has been prepared and distributed at a cost of $332.05 for 2,800 copies. Rev. 0486 RO AI-5988.

832.4
F76

Critical Factors in Attracting New Business and Industry in Oklahoma

OSU Extension Facts

Cooperative Extension Service • Division of Agriculture • Oklahoma State University

No. 862

Gordon Sloggett
Research Associate

Mike D. Woods
Extension Economist

Economic development concerns the creation, attraction, expansion, and retention of jobs and income. A community or region can pursue many avenues when attempting to encourage economic development. Economic development usually means improving or expanding existing businesses, or attracting new business and industry.

There are several reasons why attracting new business or industry is a popular approach to economic development [2]:

1. new business or industry can provide needed expansion and diversification to a community's or region's economic base,
2. recruiting business and industry, as opposed to assisting existing business development, is an easy concept for community leaders and the general public to understand and support,
3. new business and industry can have a quick, highly visible impact with new jobs, income, families, and potential community leaders, and
4. recruiting business and industry is an accepted, traditional approach which has an established support system in the development programs of state governments, utilities, and other organizations.

The emphasis in this fact sheet is on attracting industry (manufacturing), but much of the discussion also applies to attracting non-manufacturing type businesses. The objectives of this fact sheet are to review the:

1. elements of an industrial recruitment program;
2. important factors in industrial location; and
3. changing national economy and new factors which will be important to industry and business location.

Elements of Industrial Recruitment

Industrial recruitment involves the attraction of manufacturing industries to a community or region to increase the local economic base. Leaders of many chambers of commerce, towns, and regions are pursuing a limited number of new or relocating industrial plants. For this reason, recruiting programs should be well thought out and this effort should be balanced with other economic development efforts. Since local economic development resources are often limited, recruitment efforts should be targeted on industries for which the community has a comparative advantage.

A community's comparative advantage may be in one or more areas of production. A community with a large underemployed labor force may have a comparative advantage for labor intensive industry. Other potential comparative advantages may include abundant water supplies, electric power, transportation opportunities, location, natural resources, particular labor skills, educational facilities, etc. It is important for community leaders to be aware of situations giving their area a comparative advantage.

The bases of a recruiting program is a local economic development committee. To gain widespread community support, the committee should be made up of leaders from all facets of the community. The responsibilities of the committee are to:

1. Examine the advantages and disadvantages of the community as a location for new business and industry;
2. Identify potential industries and firms that are growing and would profit from locating in an area with location characteristics common to your area;
3. Prepare information -- brochures, slide shows, etc. -- that will help to sell the community to a potential industry;
4. Organize local resources -- Chambers of Commerce, other business or industry groups or clubs, civic organizations, church leaders, etc. -- into committees to aid in the economic development process;
5. Conduct the marketing and recruiting efforts; and
6. Contact and coordinate with economic development organizations -- Department of Commerce, Sub-State Planning and Development Districts, Universities, etc. -- to assist the community in its economic development.

Important Factors in Industrial Location

A community or region must understand its strengths and weaknesses in attracting new business or industry. Many factors come into play and must be examined.

Industry evaluations of alternative locations involve a detailed analysis of not only factors contributing to production and distribution requirements of the plant,

862.1 R.S

but also characteristics of a community as a place to live and work. Such personal and intangible factors typically include community facilities and services, cultural qualities of the community, community leaders cooperation, recreational facilities, and quality of schools.

Plant Location Factors

A systematic analysis of plant location factors is generally made by firms that are searching for a new plant site. The number and types of factors affecting location vary in each case and they sometimes run into the hundreds. However, the breakdown of location factors examined usually includes the following:

Markets	Industrial Site
Labor	Utilities
Raw Materials	Financial Capital
Transportation	

The importance of these factors varies widely from one industry to another. Moreover, with changing technology and economic conditions, their role will vary within a given industry and from one time period to another. They are also interrelated and interdependent so that the desired location usually requires a compromise among factors. The important factors to a firm's location decision may be attainable in several places. In these cases personal factors enter into making the final decision and can be influenced directly by activities of the industrial development committee in promoting their community.

Markets

Geographic industrialization patterns of the United States reflect the importance of markets. Initially, market oriented industries were concentrated in the Northeast and the Atlantic seaboard. As the population center of the United States shifted westward, manufacturing followed.

It is important in industrial development efforts to distinguish between consumer markets and industrial markets. Consumer markets are generally related to population concentrations and income levels while industrial markets are related to centers of manufacturing a specific product. The variety of goods and services in consumer markets is extremely wide and competition for a share of the market of products is national or even international in scope. The producer of a particular product for this market must recognize this fact since it directly affects his volume of sales and product price. Many new plant locations in the Southwest that manufacture goods for consumer markets are branch plant operations of existing corporations seeking to serve that growing regional market.

The needs of industrial markets are generally more specific than consumer markets. Industrial development should not overlook the market potential arising from the needs of new or existing local industry that may be acquiring production inputs from distant areas. Often these needs can be met more efficiently by a local source.

Labor

Though a supply of labor is fundamental, the importance of labor in location decisions varies widely from industry to industry. But, few firms will be indifferent to labor considerations. A firm will normally wish to be assured of an adequate supply of the kinds of labor required for its process in a prospective location. By locating in an area with an existing labor pool, the employer also finds other essential amenities such as housing, schools and community services.

It is important to recognize that wage levels may not be the only, or even the main, labor consideration. Of equal importance are such factors as labor attitude, turnover rates, fringe benefits, absenteeism and competition from other employers. All these affect productivity and employers are primarily concerned with balancing the productivity of labor with labor cost.

An important job for the community industrial development committee is to identify and accurately describe the area labor force. This involves much more than the physical existence of labor. The type of labor, its age and sex structure, and skill levels are all important considerations that need to be analyzed and documented. A labor survey will provide much of the needed information. Ideally, the "labor image" to be created is one of an adequate supply of productive labor at a reasonable cost to industry.

Raw Materials

In recent years, raw materials have been less important than markets and labor in attracting industry to a particular site. This is because most recent economic growth has been in electronics and service industries. Moreover, modern, efficient transportation systems have increased the feasibility of transporting raw materials over longer distances.

Nevertheless, raw materials remain an important factor in location decisions for certain types of industry. Throughout the South, the local availability of agricultural products, forest resources, minerals, natural gas, and petroleum have been significant in past industrial growth.

Transportation

Transportation costs have always been an important part of location decision for new industry. New transportation technology and changing cost patterns have tended to improve the advantages for certain areas in recent years. The development of truck transportation, which has had a revolutionary impact on transport costs and transport patterns, has tended to decentralize industry in the United States. Deregulation of the trucking industry has aided this decentralization. Other innovations such as "piggyback" and "seatrain" service, air transportation, extension of waterways and pipelines have broadened market areas for local industries.

Two transportation objectives are important to businessmen in selecting a plant location - low cost and satisfactory service. Where transportation costs are of major significance and competition among firms is

active, an attempt will be made to locate where the cost of assembling materials and delivering finished products are at a minimum. In less competitive industries, pressure to reduce transportation costs may be less although rising fuel costs and adoption of "just in time" inventory management have increased the concern for transportation in virtually all industries.

Quality and dependability of transportation services are sometimes more important in the location of industry than achieving lowest possible transportation costs. Location of plants may be conditional upon the availability of regular shipments with certain time limits. Fortunately, the two transportation objectives are usually consistent.

One aspect of transportation, sometimes given inadequate attention, is transporting business executives by air. Executives are making extensive use of air transportation using both commercial and private aircraft. This is especially important to light manufacturing and service industries. Transportation by air of both executives and cargo will become more important in the future, and local availability of airport facilities may be a significant consideration for local industrial development.

Industrial Site

A building site must be available in the community to attract new industry. The site must be either owned by the community or contractual arrangements must be in place to obtain the property once the location decision is made. The site must be well drained, attractive, accessible to utilities, transportation, and other services. The industrial site should be well maintained and available for viewing by industrial prospects at any time.

Many communities have existing available empty structures that may be attractive to industry. Information about the structures should be a part of the community's economic development marketing package.

Utilities

The availability of adequate energy, water, and waste water treatment at a reasonable price is basic in attracting new industries. Availability of electricity or natural gas at the industrial site, utility rates, anticipated future supplies and policies for line extensions, and fire protection and insurance rates are all considerations for managers seeking new plant locations.

Water is the most widely used natural resource in industry. It may be incorporated into the product, used in processing, in steam generation, in cooling and in normal sanitary uses. The main concerns are with the quantity and quality of the water supply. In recent years, strict federal and state standards relating to environmental consequences of water use and waste water disposal have had an effect on industrial water considerations. For instance, an increasing number of industries that normally consider treating their own waste water are looking for locations where public sewage disposal systems are adequate or can be constructed to meet their needs. Or, they seek an open-space location where they will be responsible only for their own waste water treatment. The attractiveness of a community can be greatly enhanced by providing industry adequate water supplies and effective waste water treatment.

Financial Capital

Financial capital to build and operate a plant must be assured before a plant can be built. All other factors may be in favor of a particular location, but if the capital is not available it will be located elsewhere. Financing new industry is a complicated process requiring the services of a qualified industrial financing specialist. Possible sources of funds include the state and federal government, private investors, and local investment pools.

Other Factors

The factors on industrial location discussed above are some of the more important areas but certainly not an all inclusive list. Among other factors for the industrial development committee to consider are: local and state taxes; laws that may affect the industry being recruited; and any special inducements for industry that may chose to locate in the community.

In a recent presentation at Oklahoma State University concerning government action to facilitate attraction for food processing industries to Oklahoma, Ronald Decker, Vice-President of the Fantus Company, emphasized many of the same factors noted above [1]. Decker concluded that Oklahoma communities should "continue efforts to recruit market-driven food products manufacturing industries, but only as part of their overall recruitment efforts". Decker further listed eleven elements of a successful community economic development recruitment effort: (1) an effective development organization; (2) established long-term goals; (3) a realistic program; (4) broad community involvement; (5) effective use of money and manpower resources; (6) cooperation among individuals and groups within a community; (7) continuity of organizations and actions; (8) established incentive programs such as financing assistance; (9) suitable sites; (10) informed leadership and; (11) confidentiality when dealing with an industrial prospect.

Personal and Intangible Factors

Several communities may remain in the running at the end of the plant location evaluation process. It is at this point that the personal and intangible attributes of communities under consideration come into prominence. These attributes can be described best in terms of community leadership and attitudes, housing, schools, recreation, shopping, and overall community image. Most large companies are also concerned about their corporate image, and they want to be a good corporate neighbor. Their impressions of a potential location can be greatly enhanced if community leaders create an image of acceptance, cooperation and fairness. This is a much easier task if community leaders can exhibit a history of creating a favorable environment for existing industrial plants. This is one factor over which a community or area has a great deal of control.

Personal factors have become increasingly important in recent years with the shift in industrial organization away from owner-manager firms and toward the corporate structure. In modern corporations, management and ownership are separated. Corporation owners (stockholders) do not make location decisions - managers do. Managers live with the plants - owners don't. Clearly, corporation management must select plant locations that will be profitable and earn sufficient net revenues for long term growth of the firm and to yield stockholders a satisfactory and competitive return to their investments. Beyond this constraint of a satisfactory profit, corporate managers may tend to emphasize personal factors rather than maximizing profits. The modern decision-making framework tends to increase the influence of desirable characteristics of plant location as a place to live and work more than would be expected in the owner-manager framework of the past. Worker productivity is always affected by these personal factors and can lead to attracting quality labor and management to a particular geographic area. Management is aware of these factors when considering plant location.

Making a community more attractive to industry also creates a better place to live for existing residents. Thus, even if new industry does not come, the community reaps the benefit of its efforts.

The Changing Economy

Our economy is growing more rapidly in services and in what is losely termed "high technology" industries than in traditional manufacturing, assembly line types of industry. What does this mean for economic development in rural Oklahoma? First, just because service and high-technology industries are growing more rapidly than traditional manufacturing, new and re-locating traditional manufacturing plants are being built. Thus rural areas should not overlook traditional manufacturers that may be looking for locations with conditions similar to what they have to offer.

The rapid growth of service and high-technology industries does have some implications for economic development in Oklahoma. Perhaps the most important implication deals with the potential work force. Service and high-technology industries demand skilled and/or trainable productive labor. With Oklahoman's quality work-ethic and an outstanding vocational technical education system, rural areas are in a good position, given favorable critical factor readings, to attract service and other industries.

Summary

Regardless of the type of industry that may be recruited, some very basic items are important in attracting new industry. Traditional costs associated with production, transportation, and marketing will continue to be critical for many industries. The availability of financial capital will also be crucial. Local, State, and Federal sources of capital will have to be explored and utilized to their fullest potential. Cutting "red tape" is also becoming important for small business and industry. New entrepreneurs often have little patience or ability to work through complex regulations and forms. Assisting these businesses with a one-stop center may aid in development. Finally, "incubator" space may also aid new firms by absorbing some of the overhead expenses involved in starting a new business. "Incubators" usually include low cost buildings and some centralized services - secretaries, accounting, etc.

Local leaders should approach industry recruitment efforts with enthusiasm and with a realistic assessment of the facts. Advantages and disadvantages of local areas as they relate to the industrial location factors discussed in this paper should be reviewed. Warner [3] notes the many strengths the state has including a central location in the United States with excellent transportation, favorable labor conditions, low taxes, especially at the local level, and a state government that has adopted a very pro-business, pro-economic development posture. Local areas should build on these strengths and identify their own areas of advantage.

References

1. Decker, Ronald, "Government Action to Facilitate Food Processing Industries in Oklahoma", Conference Proceedings, Expanding Food Processing in Oklahoma, Oklahoma State University, MP-124, Barbara Dayvault and Daniel Tilley, Editors, December 1987, pp. 84-98.

2. Tennessee Valley Authority, RedArk Symposium on Economic Development Leadership, Workbook developed for RedArk Development Authority, Ada, Oklahoma, June 5-6, 1986.

3. Warner, Larkin, "What's Good About Oklahoma?", Free Inquirey in Creative Sociology, V. 15, No. 2, November, 1987 pp. 221-224.

OKLAHOMA STATE UNIVERSITY CENTENNIAL 1890 • 1990

Cooperative Extension Service

Oklahoma Cooperative Extension Service offers its programs to all eligible persons regardless of race, color, national origin, religion, sex, age, or handicap and is an equal opportunity employer. Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Charles B. Browning, Director of Cooperative Extension Service, Oklahoma State University, Stillwater, Oklahoma. This publication is printed and issued by Oklahoma State University as authorized by the Dean of the Division of Agriculture and has been prepared and distributed at a cost of $312.33 for 3,350 copies. AI-7792 0788 TD